Must Capital Take Wage Cut? (Page 9)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Using Income Tax as Additional Tariff Impost

How Much Would It Cost to Insure Unemployment?

Dominion's Approval of "Principle" Would Start the Bills

Another Brick on Tariff Wall

BITTER feeling against the Dominion is being aroused in all parts of the world by the recent decision of the Federal Government to enforce a dormant income tax ruling of many years standing, and collect income tax from everyone who ships goods to this country. How the legislation got on the statute books of the country is something of a mystery but apparently previous Ministers of National Revenue have had the common sense to let the statute lie inactive rather than attempt to go into the highways and byways of the world and collect income tax from all those who export merchandise and commodities to Canada. Hon. E. B. Ryckman has ordered the statute rigidly enforced from a central bureau at Ottawa and as a result a veritable flood of protest has poured in from all parts of the world.

It amounts virtually to additional tariff protection for Canada. It is imposed in such a way as to be particularly objectionable to British and foreign firms who do business in this country. There are probably very few firms in the leading countries of the world that do not already feel crushed beneath the burden of income and other taxes imposed by their own nation, and there is natural resentment when the Canadian Government comes along and asks for the payment of income tax on that proportion of its business which is transacted with this country.

* * *

ALREADY there are indications that reprisals are being planned by foreign countries which means that if the plan spreads, Canadian manufacturers will find themselves paying income taxes not only to their own Government but to the Governments of perhaps 20 or 30 nations, depending on where their export trade is transacted.

Surely there are enough hindrances to international trade at large in the world today without Canada—a nation whose very existence depends on her foreign customers — devising new and highly objectionable barriers to the exchange of goods. The revenue this impost is bringing to a debt-burdened government may be very welcome at the present time but it will be a poor bargain if we get in exchange a harvest of bitter feeling and animosity among the international trades people of the world.

* * *

Can Nation Afford Jobless Insurance?

WORD from Ottawa indicates that an unemployment insurance measure is likely to be one of the major items on the programme of the Federal Government when it meets early in January next. Such a proposal sounds reasonable enough at first blush. On analysis it is found to be fraught with the gravest dangers and pitfalls to Canadian taxpayers.

First there is the fundamental weakness that no study of any significance has been made by Ottawa of the actuarial and financial burden which this country would have to face if it found itself committed to such a plan. With the bitter experience of Great Britain, which pioneered this type of legislation in 1911, staring us in the face, it is almost inconceivable that the federal cabinet would consider any legislation of this sort without first making a very profound study of the whole matter.

Yet on good authority The Financial Post is informed that "for political reasons" pressure is being brought on the Government to sponsor legislation which would commit the Government to approve jobless insurance in principle and, while leaving all details as to plan and administration to the provinces, would commit the Government to a definite percentage of the cost. The figure being discussed as the national treasury's share in such a scheme is 25 per cent, the assumption being that the remaining 75 per cent would be split between the province, the employer and the employee.

* * *

IT MAY come as a rude shock to those who are attracted to such a plan to realize that on the basis of the average unemployment prevalent in Canada in the comparatively "normal" decade, 1920 to

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Bitter Criticism Heaped on Ottawa For Foreign Tax

Reprisals May Follow Attempt to Collect Income Tax from Those Who Export Goods to Canada

NO PRECEDENT FOR LEGISLATION

Although Canadian Parliament Passed the Law in 1927, It Has Never Been Enforced — Canada Believed Only Country Collecting Such a Tax

From Our Own Correspondent

OTTAWA. — Floods of protests from foreign governments and exporters are pouring into Ottawa as a result of a government decision to impose the income tax upon all profit made by those who ship goods to Canada.

So far the Federal Government has turned a deaf ear to these protests, although they are said to include vigorous representations from London, presented at Ottawa by the British trade commissioner, as well as from other Empire capitals. Non-British governments, also, are up in arms at what seems to them an unprecedented action on the part of the Bennett ministry.

First Time in History

Never before in Canadian history has a government attempted to impose income tax upon foreign exporters. And not only has Ottawa attempted this task; it is actually being done and receipts from this source are showing the results.

The protests are based not only upon the claim that such action is unprecedented but, also, upon the contention, which is not denied, that the imposition of an income tax on foreign exporters amounts to a substantial increase in Canada's tariff. Whether or no Caanda is alone among the nations in pursuing this policy cannot be learned definitely at Ottawa but the consensus of opinion among officials is that no other country has charged income tax on foreign exporters.

Reprisals may follow and in the near future Canadian exporters may be called upon to pay income tax to foreign countries on profits made in exporting Canadian products abroad.

How Tax Originated

In a sense, the Bennett Government is not responsible for this important innovation. The Income Tax Act for at least six years has carried a section imposing the tax on the profit derived from trade in Canada by foreign exporters. The section appears in the Revised Statutes of 1927, section 27 of chapter 97, as follows:

"Any non-resident person soliciting orders or offering anything for sale in Canada through an agent or employee, whether any contract or transaction which may result therefrom is completed within Canada or without Canada or partly within or partly without Canada, or a non-resident person who lets or leases anything used in Canada or who receives a royalty or other similar payment for anything used or sold in Canada, shall be deemed to be carrying on business in Canada and to earn a proportion or part of the income derived therefrom in Canada. The Minister shall have full discretion in determining such proportion or part."

The wording of this section is aimed directly at the income derived by foreign exporters. Under innumerable court decisions it has been established as a matter of law that "income" is earned at the point where the contract is entered into. For many years, with this very contingency in mind, foreign exporters have drafted their sale forms so as to elude income tax in the country where the goods are delivered. In practically all cases where a Canadian citizen orders goods from abroad, he does not sign a contract but does sign a document requesting the foreign company to sell him a given quantity of merchandise at a given price. This form is really an application. It is passed upon by the foreign exporter in his own country. If accepted, the contract, legally, is completed in this foreign country; not in Canada.

The wording of the section just quoted proves that Parliament went out deliberately to apply the tax on foreign exporters, regardless of where the contract was made. This is evident in the phrase: "any contract which may result therefrom is completed within Canada or without Canada."

But while this section was incorporated in the act as long ago as 1927, the Liberal Government of that day never attempted to enforce it. In fact, it is learned authoritatively from Liberal sources that the question was discussed at length in the King cabinet and Hon. W. D. Euler, then Minister of National Revenue, strongly recommended that the section be allowed to be a dead letter on the statute books.

Recently, Hon. E. B. Ryckman, Minister of National Revenue, reopened the matter and, it is learned, instructed the department to enforce the law. In the preceding year, it is understood, a half-hearted effort was made to impose the tax, but since the effort was made through the various branch offices of the income tax department, no success was achieved. With a half dozen offices all going after the same exporters it was an easy matter for these exporters to escape—no particular government official being solely responsible for enforcement. Under Mr. Ryckman's orders, however, the administration of this phase of the tax was concentrated at Ottawa headquarters and results, both in the form of protests and of revenue, are being received.

Little official information is available concerning this change in policy. Enquiries at the income tax department elicited the laconic reply: "We are enforcing the statute and anybody who cares to do so may read it."

It is believed that neither tax officials nor the government express any opinion as to the propriety of enforcing the section. The position seems to be that Parliament, in its wisdom, enacted the section and that it is the duty of the government to enforce it. If the principle is bad, then it is up to Parliament to repeal the section or amend it.

Windsor Hotel May Default Sinking Fund

From Our Own Correspondent

MONTREAL. — Operations of Windsor Hotel Co., of Montreal, have been considerably less favorable to date than last year, due to the influence on the tourist traffic of the Chicago Exhibition.

A statement on current earnings is not available, but unless there is marked improvement in bookings during the balance of the year, it is possible the directors of the company will be forced to give some consideration to making an adjustment regarding the sinking fund provision on the company's bonds. If this is done it is expected interest payments will be continued without interruption.

Sinking Fund Needs

At the end of last year Windsor Hotel had outstanding $2,094,600 of first mortgage bonds, compared with the original issue of $2,500,000 brought out in 1927. The sinking fund commenced at the beginning of 1926 and calls for $50,000 plus interest on bonds redeemed. In addition there are outstanding $1,032,000 of second mortgages, on which the sinking fund calls for 12 per cent per annum of the principal amount of bonds, together with interest of bonds redeemed.

There has been a steady decline in the company's earning over the past four years, culminating in a deficit of $92,684 in 1932 after providing for interest and depreciation.

No payments have been made on the capital stock since September, 1932; $2,000,000 of the 6½ per cent, preferred being in arrears since that time.

Taschereau on Newsprint

From Our Own Correspondent

MONTREAL.—"If the administration in Washington sets a minimum price on newsprint, agreeable to the manufacturers, we will do everything within our power to see that the agreement is fully supported by the Quebec producers." This was the opinion expressed exclusively to The Financial Post by Premier Taschereau when questioned as to what would be the attitude of his government in the event of the N.R.A. administration undertaking to establish a minimum price on newsprint sales in the United States.

"I am confident that similar co-operation will be given by Ontario, to whom the welfare of the forest industry is so important," continued Mr. Taschereau. "Pulp and paper is our greatest industry and it is necessary we do everything possible to place it on a sound basis."

"It is a sin," said the premier in commenting upon the newsprint market situation, "to sell newsprint at prices which do not cover the cost of manufacture. We cannot continue indefinitely to see our forest wealth dissipated without adequate returns. I believe that the publishers will support the administration and the producers in establishing a fair price for newsprint. It is not in their best interests to have newsprint sold at less than cost. A fair price is to their advantage and I believe the publishers will give their co-operation to any agreed plan."

PAPER MAKERS MAY ESTABLISH BABY NRA HERE

Four-Point Programme Agreed on by Industry in Meantime

$40 MINIMUM

Prices Effective at Once — Price War Avoided—Price Bros. Refrain for Time

From Our Own Correspondent

MONTREAL. — Canada's newsprint industry proposes to establish a "baby" NRA code of its own in order to comply with the proposals agreed upon in Washington this week between representatives of the NRA administration and the manufacturers. Though no definite decision was reached, the conference agreed upon a four-point programme to govern until November 15, when the manufacturers will meet again to arrange a permanent plan.

The main features are as follows:

No price to be fixed for any delivery after 1934;

No price to be fixed for 1933 or 1934 deliveries less than present official prices, namely, $40 a ton delivered in New York or Chicago subject to zone differentials;

Provision is to be made in all contracts calling for 1934 deliveries providing for adjustments at the end of each quarter to bring the contract price in line with prevailing market price at point of delivery.

Will Govern at Once

These principles are to be given immediate effect by the manufacturers of newsprint in the United States and Canada. Every producer in the American industry was represented at the conference and the same holds true of the Canadian industry. L. J. Belnap, of Consolidated Paper, was the spokesman for producers in this country and he told the conference that Canadians were anxious to co-operate in every possible legal way. A. R. Graustein, head of International, having mills in Canada and the United States, made the suggestion that Canadian manufacturers set up an association similar to the code committees organized in the States under the provisions of the NRA. This has been agreed upon and it is likely that the old newsprint institute will be revived but with somewhat different objects and aims.

It is too early to determine what will be the outcome of the Washington conference.

May Prevent Price War

On the surface it would appear as though the imminent possibility of a wide open price war in the industry has been side-stepped.

For several months past few producers have been observing the official price schedule of a base price in Chicago and New York of $40 a ton delivered. Manufacturers have been accepting and going after business at a lower price and it is doubtful if recent business grossed the manufacturer more than $38 a ton.

Recently the Powell River Co. took a contract for delivery of a large tonnage of paper to the Scripps-Howard paper in Philadelphia at $30 a ton delivered. The same company is reported as having offered paper at other points in the eastern territory at well under $40 a ton. This competition, of course, has been met by the other manufacturers.

N.R.A. Took Hand

Last week the N.R.A. administration took a hand in the affairs of the newsprint industry and ordered the withdrawal of all offers until the Washington conference this week. Had such a step not been taken there is occasion for believing that few, if any, contracts would have been renewed in the next two months at better than a base price of $35 a ton New York delivery.

The effect of such a low price would have been a wild scrambling for tonnage. Some mills are in a position to produce newsprint profitably at that level but cannot do so on the present volume of business. Every effort would have been made, therefore, to secure a larger tonnage to compensate for the drop in value.

An important phase of the present newsprint price situation is the reaction of the American publishers to the action of the N.R.A. administration in calling the manufacturers together in order to set a minimum price on newsprint deliveries between now and the end of 1934.

Hearst Dickering

Many of the newspaper publishers, especially those in the metropolitan areas, have been hard hit by the depression in business and the drop in advertising linage. Revenues have fallen appreciably and many are finding it difficult to meet their current obligations. The largest item of expense in the publishing of a metropolitan daily is in newsprint. A smaller outlay in this direction has an all-important effect on operating expenses. The publishers in their efforts to effect economies have been concentrating on securing the lowest possible price on newsprint. Hearst, one of the largest newspaper publishers in the United States, for example, has been openly threatening to create his own supply of newsprint. In this connection he has been said to have been dickering for control of

(Continued on page 2, col. 5)

—Drawn by R. KAELL for The Financial Post.

WHAT COULDN'T THEY BUY IF THEY HADN'T SPENT ALL THEIR MONEY

Quivers and Quavers And Even Earthquakes In Distillery Stocks

Temporary Embargo Frightens Investors; Fear Further Obstacles

CLOUDBURST VALUE

Canadians Want to Hit Market While Scarcity Lasts—All Set for December 5

Quivers and quavers in Canadian distillery stocks, and even sharp falls and recoveries in market valuations such as were shown during the last week, are bound to arise out of the mere fact that the 14,500,000 gallons of matured and maturing whisky owned by Hiram Walker-Gooderham & Worts, the 13,500,000 gallons owned by Distillers Corp.-Seagrams and the 8,200,000 gallons owned by Canadian Industrial Alcohol are in Canada and not in the United States. No one doubts the great value that aged rye and bourbon whiskies will have in the United States after December 5 when the United States ends 14 years, five months and 4½ days of prohibition, but each experienced investor knows also that Canadians will have to pay $5 a gallon to take them across the international boundary and he wonders how profitable that will be. He is still further perturbed by what he does not know, and that is that some last minute decision of the United States government may throw some further unforeseeable barrier in the way. One inch south of the international line whisky is worth $5 more a gallon than one inch north. And fearful ones imagine other obstructions not yet created.

The sharp fall of liquor stocks last week, though accompanied by margin calls to a greater extent than in the case of any other class of stocks, and nervous selling caused by the mere drop itself, was started by the news from Washington that the United States administration had refused applications for permits to import 3,000,000 gallons of distilled spirits, mostly Scotch whiskies, for medicinal purposes and seven consignments of 500,000 cases of wines and liquors. It was accompanied by a statement

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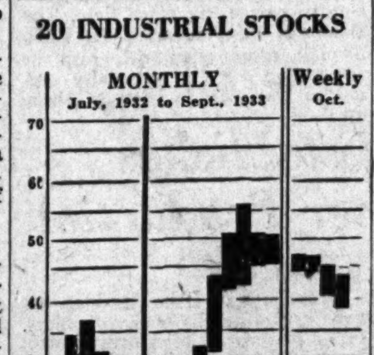
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Oct. 24	44.1	38.9
Week of Oct. 17	46.0	41.5
Month of October, 1932	31.4	27.4
10 Public Utilities		
Week of Oct. 24	49	47
Week of Oct. 17	49	47
Month of October, 1932	51	45
8 Bank Stocks		
Week of Oct. 24	173	169
Week of Oct. 17	176	171
Month of October, 1932	182	173

South Ontario Tobacco Crop 50% Marketed

Firm prices and improved marketing conditions are the good news which has come to growers of flue-cured tobacco in Ontario in recent weeks.

The market in Ontario "opened" on Monday, Oct. 16, with the payment of 24 cents a pound to Claude McNight, of Teeterville. This is the same opening price as last year but the favorable feature of the situation to date is the fact that the market is holding up well at this figure whereas last year it slumped off drastically to around 15 and 18 cents a pound. The average price for the entire year in 1932 was only 15½ cents.

Half Crop is Sold

Almost half the crop of about 19,000,000 lbs. (including Essex and Norfolk areas) had been sold at mid-week (Oct. 25) the price range for first grade tobacco being between 20 and 24 cents and for second grade between 17 to 20 cents a lb. Most of the buying to date has been by Imperial Tobacco, it is reported. One important announcement of the week was that the two large co-operatives — Ontario Flue Cured Tobacco Growers' Association at Simcoe and the Southern Ontario Co-operative at Tillsonburg — had joined forces to form a marketing committee. Ample backing is reported behind these bodies who are prepared to process and market the crops of individual farmers if current markets and prices are unsatisfactory. The Ontario government has also announced its willingness to stand behind the co-operatives if necessary by advancing money to pay processing charges.

The weakness of the situation this year is that estimated yield has slumped about 40 per cent and a crop of not more than 17,000,000 lbs. as compared with 27,000,000 last year, is anticipated. Further the quality of this year's crop is much poorer than a year ago due to adverse growing conditions.

Trade Activity Sept. Declines Part Seasonal

September figures released during the past week add to the evidence that a halt in the rapid rise of business activity was experienced in that month. Seasonal influences are partly responsible, this being particularly true of iron and steel production. Building permits showed a small gain over August, but the dollar amount remains at a fraction of the monthly totals of years prior to 1931.

Commodity markets remained soft during the week except for a very temporary rise on Monday, this rise being generally credited to President Roosevelt's speech. Lack of demand made it impossible to hold the gains, however, and price slumped again on the following day.

Monthly	September, 1933	Change From Prev. Period %	Change From Prev. Year %
Pig iron output tons	30,738	—12.8	+440.0
Steel ingot prod. tons	38,630	—20.6	+66.5
Electric output kw.h.	1,489,329,000	— 1.2	+16.4
Bldg. permits $	2,032,839	+ 4.9	—17.0
Sugar manuf.* lbs.	87,616,868	+45.0	—18.0
Weekly †	**October, 1933**		
Carloadings, No.	50,303	— 5.4	+ 7.5
Cattle sales No.	16,652	+16.5	— 3.8
Hog sales No.	16,630	— 7.0	—24.3
Wheat exports bu.	3,433,414	—18.6	—50.6

*Four weeks ended Oct. 7.

†Weeks ended Oct. 14, 19, 19 and 13, respectively.

Highlights of the week

Capital's Wages

Interest rates, the wages of capital, may have to be cut to aid recovery, just as prices, salaries, wages and other costs of production have been slashed, according to economists and financiers. Page 9.

Business Revival

Canadian business is gaining from coast to coast without benefit of economic narcotics. Facts, not hearsay, shown graphically in The Post, tell the story. Page 7.

Liquor Shock

Roosevelt's ban on imports, analyzed authoritatively, gives a key to stock market landslide. Where Canadian, British and American distillers stand to gain or lose. Page 1.

$50,000,000 Erasure

Price Bros. reorganization scheme would wipe out $50,000,000 of common and preferred share equities. Bonds may get the lion's share, The Post's special analysis reveals. Page 9.

Archaic Tax

A hitherto dormant income tax is being used by the Dominion to assess foreigners trading in Canada, creating a hubbub in Ottawa. Page 1.

Bonds and Inflation

Inflation will cut the real income of bondholders, if it comes. How to avoid this safely is not so evident. Answers to Enquiries. Page 11.

Wheat Acreage

Prairie farmers are still free to seed wheat unrestricted following Regina discussions. Obstacles to restriction outlined in a special dispatch. Page 10.

Selling Apples

American apple exporters dominate the British market at Canada's expense says J. K. Ross-Duggan. How it's done. Page 3.

Too Dry Air

Winter heating creates Sahara-like atmospheres in Canadian homes. Will air-conditioning become big business? Page 3.

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B. C. Power	4	L. St. John	2
Brewing Corp.	4	Lake of Woods	10
Brandram-Hend.	5	Med. Hat Green.	8
Can. Vickers	11	Minn. & Ont. P.	11
Can. Vinegars	11	Montreal Coke	4
Can. Celanese	14	Mtge. Finance	4
Can. Paper	14	Nfld. Railways	4
Can. Permanent	13	Ottawa Power	4
Can. Airways	4	Price Bros.	9
Can. Nor. Power	4	Quebec Power	4
Can. Car & F.	4	Renfrew Ind.	10
Easy Wash.	5	Tip Top Tailors	2
Ford	5	Trans. Can. Ins.	12
Gen. Television	12	United Amuse't	14
Gerry Tobacco	8	Walker's-G. & W.	5
Halifax Fire Ins.	12	Windsor Hotel	1
Investors Equity	11	Wolthausen Hat	8

MINES AND OILS

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OIL COMPANIES FEAR DUMPING U.S. GASOLINE

Fixed Prices in States Do Not Apply to Foreign Sales

MUCH PRICE-CUTTING

Members of Ontario Motor League Get Two-Cent Cut — Others More

Canadian oil companies are watching the rising prices of crude oil in the United States and the new order setting minimum prices for gasoline in various areas as well as for crude petroleum to see how it will affect their costs. It is very possible and even likely that crude oil and gasoline exports will be sold on a different basis than domestic crude.

The new arrangement promises to give a good deal of money to United States companies, but if it leads to dumping of gasoline surplus it will again prove a sharp irritant in the Canadian price situation. The United States administration is trying vigorously to control output in various petroleum fields in line with consumption. Its policy with regard to foreign sales has not been made public but the Oil Code left the foreign sales open to competitive influences.

The first winter is regarded as the test time so far as these foreign shipments are concerned. Before curtailment measures are 100 per cent effective gasoline surpluses may be created here and there and dumping into Canada, especially when good profits are made on other business, is spoken of as a possibility of the situation. So long as curtailment of production was the policy in the United States and prices were left to market influences this was not so much feared. It is likely, however, that the new policy of price-fixing, unless it is abandoned, will have repercussions here.

Raised 11 Cents Per Gallon

The main price fixed in the United States by order of Secretary Ickes is in the mid-Continent area.

On and after December 1, the posted minimum price for 36 degree gravity mid-continent crude oil will be $1.11 a barrel. The mid-continent prices apply to Oklahoma, Kansas, North and North Central Texas. This means an increase of 11c. above present prices posted and there will be similar increases in other districts.

Canadian oil companies, who purchase from East Texas, are interested in the fact that the fixed price on December 1 will be $1.17, an advance of 17c. A good deal of this crude oil is sent by tankers to Montreal. The California fixed price is approximately 10c. higher than now quoted. It is stated that 27 degree gravity in Signal Hill will be $1.10 a barrel and Kettleman Hill's crude will have a range from $1.03 for 33 gravity to $1.21 for 39 degree gravity. West Texas and Lea County, N.M., crudes which range from 70 to 75 cents a barrel at present will then be 84c. a barrel.

The minimum prices for gasoline will naturally differ from district to district. The base price will be 6½c. a gallon for 60-64.9 octane rating in the mid-continent area. At the Gulf ports gasoline will be 6½c. f.o.b. tankers and 6¾c. a gallon f.o.b. tank car.

Shipments of gasoline from New York, Philadelphia and Baltimore will be 7¼c. f.o.b. terminal or barge and 7½c. f.o.b. tank car. If on the Pacific Coast the price of gasoline will be fixed at 7½c. f.o.b. tanker and 7¾c. f.o.b. tank car.

To get the equivalent Canadian prices one would have to add one-fifth because the Canadian gallon is one-fifth larger than the American gallon, add the difference in freight or pipe line charges as the case may be, add something on account of the discount on the Canadian dollar in United States funds, the Canadian provincial taxes and a sum varying from 8 to 10 cents a gallon for cost of distribution and service station expenses. Oil men claimed in 1931 that if interest on the average investment in a service station and the average cost of distribution and depreciation are included, 10c. a gallon is not excessive. Half of that would be for the service station charges. It might be less now.

In the United States the new

(Continued on page 2, col. 8)

Think of It!

A Move Toward Peace?

Nowhere in Europe, save Britain, is the press really free. It obeys the governments of the day.

Informed Canadians pay little attention to daily news from over there. They know that statesmen, whose utterances are so freely quoted, are merely simple-minded puppets; honest and sincere. Astute men in the background put them there and inspire their policies.

Thoughtful Americans, British and Canadians have, since the war, regarded France as most ungrateful. Thus without allies, France fears a new war against Teutonic hordes far out-numbering them. Their only hope, frequently expressed since the war by their most important interests, is economic alliance leading in time to political union with Germany. Much quiet progress has been reported in face of occasional setbacks.

Thoughtful British sympathize. They believe that in a united Europe against the yellow races lies the only hope of the white world, and that Germany's strong stand is therefore not a menace but a move toward a more permanent peace.

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CANADA WATCHES PROBABLE EFFECT OF FRENCH PLAN

New Quota Law May Have Bearing on Trade Items

From Our Own Correspondent

OTTAWA. — An impending change in the quota system supplied by the French Government upon imports is engaging the close attention of the Department of Trade and Commerce. That this change, if adopted, will have an important effect upon the inter-change of commodities between the two countries is recognized, although the effect upon Canada's exports is as yet uncertain.

The French Government, apparently, has decided to change the principle underlying the application of quotas. Instead of using the quota system to restrict imports to a certain quantity, the policy is to be used as a means of expanding France's export trade. Instead of giving a foreign country the right to export goods to France up to a specified amount or quota, the intention is to allow only 25 per cent of the quota to be filled, and the balance will become available to the foreign country only as French goods are accepted in return.

Not Yet Adopted

Information received by the Department of Trade and Commerce is to the effect that this change is now receiving final consideration at the hands of the French Government and has not yet been adopted. Until it is adopted, it will be impossible to gauge the effect upon Canadian trade, both export and import.

This is so for the reason that France now has two forms of quota and both are applied to Canada. One form constitutes a division of the French market between various foreign countries. Such a quota is applied to Canadian canned salmon. In the case of salmon no fixed market is given to Canada but the French salmon market is divided as between Canada, Japan and other salmon-producing countries on a ratio basis. The ratio applies to average imports over a given period of time.

Other Quota Restricts

The other form of quota is a clear cut restriction of imports to a given quantity. The quantity is not arrived at by the application of a ratio but is arbitrarily set from time to time by the French Government. Such a quota applies to Canadian leather exports to France.

Although official information is lacking, the general view at Ottawa is that the new quota system will be applied only to the latter class—to the leather and not to the salmon category. But this being so, much depends upon how the French Government will determine what goods shall be exported in payment for the 75 per cent of the quota. Will France declare that Canada must not filh 75 per cent of the leather quota unless Canada accepts French silks or rayon to the equal value? If so, Ottawa sees difficulties in the way of trade between the two countries.

It is expected that the French Government will reach a decision on the new policy in the next ten days.

Imperial Oil Extends Time Western Debts

Imperial Oil, Ltd., which in 1932 drew nation-wide attention by its plan for placing amounts owing by Western farmers on gasoline and other oil product purchases on the basis of the price for wheat, has given an extension of two months to November 30 for payments of the first amount due October 1. On October 1, 1932, the price of wheat at Fort William was 49 cents a bushel and for a year since that time debtors of Imperial Oil among Western farmers have had the privilege of paying 49 cents for every 70 cents of indebtedness incurred in 1929 and 1930. They pay the whole debt as incurred whenever wheat on any October 1 is at 70 cents or more at Fort William.

The two months extension means that all Western Canadian farmers owing money on old debts can pay either the first year's installment or as much more as they like on the basis of 49-cent wheat until November 30. Then for the succeeding ten months they will be able to pay on the basis of wheat at Fort William as at October 1, 1933. The price fixed will probably be between 59 and 61 cents a bushel.

Reports from Western Canada indicate that payments under the Imperial Oil plan have been rather slow in coming in. One reason is the small crop of the present year and the extension also gives time to farmers to complete their marketing arrangements. It is supposed that the total amount to be collected over the next five years amounts to more than $5,000,000.

EAT FLEISCHMANN'S
Yeast for Health

A vitalizing, corrective food in daily use by thousands of Canadians

A quality product of
STANDARD BRANDS LIMITED
HEAD OFFICE, MONTREAL

A Canadian corporation operating Canada's largest fresh food delivery system

MANUFACTURERS AND DISTRIBUTORS OF
Fleischmann's Bakery Products - Fleischmann's Yeast for Health - Magic Baking Powder - Gillett's Lye - Royal Yeast Cakes - Chase & Sanborn's Tea and Coffee

TIP TOP GETS MORE BUSINESS PROFIT IS UP

Unit and Dollar Volume of Sales Better Than in 1932

PRICES HIGHER

Wages to Union Workers Increased By 10 p.c.; Competition is Reduced

Sales and earnings of Tip Top Tailors Ltd. in the first nine months of the current year are well in excess of 1932 results and, while officials of the company cannot say whether preferred dividends will be fully earned, it does appear that depreciation reserve will be covered with something to spare for preferred dividends. In 1932 the company had a loss of $92,098, after providing for depreciation to the extent of $125,366. Preferred dividend payments in 1932 amounted to $93,510. In the current year the company did not pay the dividend due on April 1 but paid dividends due on July and October 1.

Both unit volume and dollar volume of sales so far in the current year are higher than in the same period of 1932. Early in 1933 retail prices were reduced from $23.50 on suits and overcoats to $19.50; late in September prices were increased to $21. The low price of $19.50 stimulated sales during the greater part of 1933 and the company has been able to get better returns from its 50 odd retail stores and its 1,600 agencies throughout Canada. Actually the company's competitive position has been materially strengthened as a number of long-established clothing firms have gone out of business. The business of Wm. A. Leishman & Co. was acquired in June, 1933, and is being operated as a subsidiary company.

Increases Wages

The company employs some 1,200 to 1,300 people of whom slightly over half are union members. Coincident with the increase in price of suits to $21 on September 25 the wages of union employees were increased by 10 per cent. Prices of raw materials have also risen during the current year and wholesale prices of woollen suitings are from 20 to 30 per cent higher. Shrewd purchasing of inventories has reduced the company's costs for the current year and will be reflected in an improved earnings statement.

New sales outlets, developed during 1933, have served to increase production while the agency business has become even more important, extending as it does throughout Canada and giving the company outlets in every municipality of any size. Competition faced in 1932 and early in 1933 is not as serious at the present time, due to greater unionization of clothing workers in Montreal.

Financial position of Tip Top Tailors remains sound and the company has had some appreciation on investments carried at market value of $92,667 at the end of 1932. Working capital position is believed to have been maintained during the current year. At the end of 1932 the value of the company's plant and equipment was $1,743,760 after deducting depreciation reserve of $466,047. The company has no funded debt and has not been handicapped by heavy fixed charges.

Retail Prices Of Golf Clubs To be Slashed

Except for the very cheapest lines, golf clubs have, to date, withstood the general decline in prices better than the majority of retail goods but it is now apparent that there will be a drastic revision before next spring. Two of the best known agencies in Canada, Forgan's and MacGregor's, have withdrawn from the country and the sole rights to manufacture and sell these lines of clubs have been obtained by a Canadian firm. The Financial Post is informed that prices of many standard lines will be slashed by over one third, an example being that the regular $9 per iron line of one manufacturer will be sold at $5.75 in 1934.

Use of certain Canadian materials and complete assembly in Canada are responsible for the decision to revise the price lists, The Financial Post understands, while agent's commission will also be eliminated. It is generally admitted that the decision of these two world-renowned companies to withdraw from active participation in the Canadian field was forced by failure of the agencies to show a profit, difficulty in collection of accounts being given as the chief cause for this failure.

The Nation's Business

(Continued from page 1)

1930, such a plan, if generally adopted, would have cost the Federal Government alone in the neighborhood of $30,000,000 annually. The figure is based on an estimate made last year by Professor H. M. Cassidy, of the University of Toronto, in a special study of the subject made at that time.

His figure is admittedly approximate but on the basis of the best Canadian data that was available at that time, he believes any adequate scheme for Canada would involve the country in something like $120,000,000 annually—of which, under the plan now being formulated at Ottawa, the Federal Government would be committed to pay $30,000,000. The other three $30,000,000 contributions would probably be borne by the provinces, employers and employees.

* * *

THERE are many of our most thoughtful citizens who are not yet quite sure whether or no Canada has successfully emerged from the deep financial valley through which we have been passing in recent years. There are few, if any, who would be hopeful of a successful issue if the provinces and Dominion combined were to shoulder an additional burden even approximating the staggering sum of $60,000,000 annually.

Of course the politicians will say that such a thing is absurd and that for Ottawa to merely approve the principle of jobless insurance can involve the country in no such financial entanglement. That is precisely what politicians in Great Britain, Germany and other leading nations which have pioneered in unemployment insurance, thought before they awakened to find the big bad jobless insurance wolf at their very own door.

Even though we have little enough unemployment data available in Canada we at least have the experience of these pioneer countries available and Canada should under no pretence be stampeded into a jobless insurance plan until its actuarial and financial probabilities have been probed to the full in the light of what has happened in the past few years.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

Railway Problem Up Again

BEHIND the political ballyhoo, platform eloquence, public statements and interviews which have been a feature of the past few weeks, there is a firm conviction in the minds of Cabinet Ministers, in fact of political leaders of all parties, that the worst of the depression is past. In the future, instead of reading of further declines, greater unemployment, higher taxation, the prevailing motif is expected to be optimistic. It is thought by no means improbable that we have turned the corner without realizing it.

But while there has been a welcome upturn in trade and in revenue, it is doubted if conditions will improve quickly enough to prevent one or two important problems reaching a critical stage. For one thing, many politicians these days are asking themselves if a new railway deal is escapable. It is well-known that the railway tangle, the Duff report notwithstanding, is a source of grave embarrassment to the government. Long ago Wall Street professed not to be interested in floating Dominion securities until the rail enigma had been dealt with. A prominent British financier is reported to have brought a similar message within the past month from London to Ottawa. It would appear that Wall and Lombard Streets are not enamored of the Duff solution and their view, no doubt, has been materially strengthened by the recent government guarantee of the C.P.R.

* * *

THE National railway problem is a great source of weakness to the C.P.R. If the world money markets are not open to Dominion of Canada bonds because of our railway problem, it stands to reason that the C.P.R. could scarcely hope to succeed with new financing. The government guarantee to the C.P.R. was given apparently because the privately-owned company could not sell its securities and this, in turn, is blamed in some measure at least on the fact that the National railways problem, in the view of world financiers, has not been solved.

In any event, there is a marked revival of rail amalgamation talk. An organic union of the two systems is not regarded as possible, but something along the line of the Ruel scheme is receiving considerable attention. And it is said that the uncertainty of the future is the chief reason for the government's delay in naming the new National Trustee Board.

The government must decide, and soon, if the country can win through on the basis of the Duff solution. If so, the Board of Trustees will be appointed. If not, no useful purpose can be served by going on with the present rail setup.

* * *

Epidemic of Trade Treaties

THE coming year promises to be a big tariff year. There are important cases to be dealt with by the Tariff Board and there is good reason to expect that the Canada-Australian treaty will undergo revision. Changes in the French treaty are also on the tapis, the result of the impending modification of the French quota system.

The government is becoming conscious of a new emphasis in world fiscal policy. It is, as yet, scarcely definable, but it begins to look as if economic nationalism is fading into an era of reciprocal trade agreements. Instead of using tariffs as a means of preserving domestic markets, of attaining self sufficiency, tariffs are being used to pry open export markets. Nations are commencing to "bargain" and international trade seems bound to benefit.

There is the case of France. Paris is going to change her quota system in order to persuade foreign countries to buy her products. The Roosevelt administration seems to be following a similar line in using the entry of hard liquor to bargain for tariff favors.

This trend fits in admirably with the government's idea of a protective tariff and it would not come as a surprise if an epidemic of trade treaty revisions and extensions broke out at Ottawa.

* * *

Shortage of Water

THE weather is playing an important role in governmental matters these days. Shortage of rainfall this year caused a small wheat crop in the West, which is not an unmixed blessing. But the drought has brought a serious lack of water in the lower St. Lawrence canals, the Port of Montreal and the ship channel to the Gulf. With only a fraction over 27 feet of water in the harbor, the port authorities at Montreal are extremely worried. Ships may have to restrict their cargo and, perhaps, cancel bookings to Canada's premier port.

This is not a pleasant prospect. But there is little that can be done about it right now. Shipping circles are putting up a vigorous demand for remedial works to control the flow of water down the St. Lawrence and thus ensure adequate depth for navigation. The government is ready to carry out a conservation policy but there is conflict of opinion as to how the work should be done. It is thought likely that a commission will be appointed and the report acted upon next year.

Lake St. John Establishes Record Paper Production

From Our Own Correspondent

MONTREAL.—Lake St. John Power and Paper Co., operating a newsprint mill at Dolbeau, established a new production record in September last when output exceeded the rated capacity of the mill by a fairly substantial margin. Demand has been somewhat less this month, according to official word, but production for the full month should be better than 80 per cent of capacity.

All of Lake St. John's output is marketed with one customer—the Hearst newsprint buying organization. The improvement in demand from that source is also indicative of an improvement in buying from other mills supplying Hearst, namely, Brompton, Anglo-Canadian, International Paper and a few other American producers.

Operations of Lake St. John are now controlled by a bondholders' committee which took over control from St. Lawrence Corp. when that organization failed to provide for interest payments. The change occurred shortly before mid-year and since that time mill operations have been at a good level. This is largely due to the improvement in consumption of newsprint by the publications going to make up the Hearst organization, which, in the aggregate, is the principal purchaser of newsprint in the United States.

No particulars are available as to the current earning power of Lake St. John, but the higher rate of production is expected to be reflected in an improvement in earnings.

PAPER MAKERS MAY ESTABLISH BABY NRA HERE

(Continued from page 1)

Abitibi's properties at Ste. Annes and Fort William.

Secret Rebates Feared

The fact that publishers will not be able to secure their newsprint supply at a lower price in 1934 will not rest lightly with them. Further it is not good politics on the part of the N.R.A. administration to antagonize the publishers, whose support is essential for the success of the recovery plan. It will be necessary to have the reaction of the hard-pressed publishers to see whether or not the proposal to establish a minimum newsprint price can be put across.

Another feature of the situation, which is as important as the publishers attitude, is the ability of the code committee in the United States and the proposed committee in Canada to make the manufacturers live up to the agreement. The publishers are not as hard up as the producers and an opportunity to secure a large volume of business below minimum rates will be difficult for many of the latter to resist. There is the old bugaboo of secret rebates and concessions to overcome. And it will be virtually impossible for the N.R.A. administration or any committee to unearth and penalize a manufacturer who will secretly make concessions to a customer.

Price Bros. & Co. voted against acceptance of the recommendations agreed upon at the conference. Jack Price, representing the company, claimed that he had no authority to accept the plan and therefore could not be a party to it. In view of the announcement of Premier Taschereau it is thought that Price Bros. & Co. will eventually agree to the plan adopted by the majority.

QUIVERS AND QUAVERS EVEN EARTHQUAKES IN DISTILLERY STOCKS

(Continued from page 1)

that the home industry would be given first chance at the home market and that there would be ample liquor of good quality available without much importation. However, these consignments are piling up near the border in Canada and elsewhere, ready to be rushed into the United States on and after December 5. So far such rushing will be legal, according to United States advices.

Hurdles to Leap

In such a case as this no one can predict the unpredictable turns events may take at Washington and investors and speculators are obliged to base their commitments simply on what they conceive to be "the logic of the situation." It is true that they should give full weight to the fact that a billion dollar industry will come into being in the United States on December 5 and that sooner or later it will be protected strongly. It is true also that there is enough liquor and likely to continue to be enough liquor in the United States to meet all demands if individual taste is ruled entirely out and drinkers would as soon drink rum, gin or brandy as whisky. It is true that by moonshine methods and by wholesale "cutting" whisky demand could also be met and eventually annihilated. It is true also that one large United States distiller claims he has a special process for artificially ageing whisky the equivalent of 17 years during the process of manufacture and that he is ready to start.

Favorable Points

But it is also true that world stocks of whisky are estimated to be 250,000,000 gallons of which only 21,000,000 gallons at the most are in the United States. It is true that on December 5 half of the 123,000,000 inhabitants of the United States will be in states where whisky can be bought, sold and drunk. It is also true that before prohibition the United States drank 140,000,000 gallons of liquor a year and that during prohibition it is estimated to have consumed not less than 200,000,000 gallons. Demand for the first year is expected to be about 200,000,000 gallons with rye and bourbon whisky away in the van. In 1913 the United States consumed 135,000,000 gallons of native whiskies (rye, bourbon), 1,500,000 gallons of Scotch and Irish whiskies, 5,000,000 gallons of gin and comparatively insignificant amounts of brandy, rum, champagne and other wines and liqueurs.

Has Taste Changed?

Perhaps the bootleg industry during more than 14 years of prohibition may have changed the taste of Americans who formerly drank rye and bourbon. Officials of such alcohol companies as United States Industrial Alcohol, Commercial Solvents, American Commercial Alcohol and Publicker claim that because gin can be sold more cheaply than even the worst whisky, as much gin will be sold as whisky during the first year of repeal. Some think that wine and beer have gained devotees at the expense of stronger liquors and rum may edge in to a greater extent than ever before. During prohibition the taste for Scotch is understood to have developed to a far greater extent than was true before prohibition. There are in the British Isles 100,000,000 gallons of Scotch that can be shipped to the United States against a tariff of $5 a gallon (which may be raised) and a trifling freight cost. In the matter of charges Scotch starts even with Canadian whisky.

When prohibition began there was a surplus of 64,000,000 gallons and during prohibition all but 4,000,000 gallons of it were taken up. Evaporation reduced that to less than 3,000,000 gallons and upon that 3,000,000 gallons the new U. S. whisky business in its present corporate form has been feverishly erected. Government permits for the distillation of new whisky from 1929 until a few months ago were based upon possession of existing stocks. Old whisky was, therefore, not only an asset but a license. By the summer of 1933 there had been distilled some 10,000,000 gallons of newer whisky. As soon as repeal became certain there began a mad scramble for whisky. It had its reaction on the stock market. When that crashed the liquor business concentrated on corporate set-ups and alliances and another 7,000,000 gallons have been distilled. There are now 20,000,000 gallons of whisky in the United States and it is apportioned as follows:

	Gallons
National Distillers Products Corp...	10,000,000
Schenley Distillers Corp.	5,000,000
Scattered	5,000,000

Aged Whisky Scarce

No matter how taste may have changed for whisky, investors rightly see the small United States supply of aged whisky as the chief problem and excitement of the coming United States liquor business. Good gin can be made overnight. Good whisky requires years. Of the world's whisky Canada holds more than 20 per cent, 48,000,000 gallons, mostly rye, of which Hiram Walker has 14,500,000 gallons. United States has 8.8 per cent or 21,000,000 gallons and the British Isles 71.1 per cent or 170,000,000 gallons nearly all Scotch and 70 per cent controlled by D. C. L.

Before prohibition most of the whisky that was drunk in the United States was blended and rectified (mixed with other whiskies and with alcohol and water and some kind of flavoring — sherry, brandy, rum, fruit juice, anything). Maybe one-fourth of it was whisky, maybe less. The bootleggers borrowed this technique and called it "cutting."

"Cutting" May Go Too Far

The magazine, Fortune, says, "One part whisky to four parts of alcohol and water will make a drink that might not satisfy a Kentucky colonel but will be plenty good enough for you. One part whisky to nine parts of alcohol and water will make a pretty good beverage and two or three gallons of good old whisky, plus a couple of gallons of new whisky, plus 45 gallons of alcohol and water will make a barrel of drinkable liquor although it might also make you belch. By the application of bootleg methods of manufacture, therefore, it is expected that there will be enough to go round until production catches up. The whisky may be cut too much but old companies selling brands of whiskies will want to protect their fame and will sell the finer blends of the rare old pre-prohibition whisky that may never be seen again." "Fortune" thinks that upon the extent to which these companies adhere to this practice and resist the tendency to make immediate killings will depend the esteem in which the business will be held two years from now.

At the rate the United States is producing new whisky (that is, 3,500,000 gallons per month) it will not be more than a year or two before the United States has all the potable rye and bourbon it wants. Merchandising is the great problem.

Costs and Prices

Production can apparently be accomplished quickly. It costs about $1.50 to make three U. S. gallons (a case) of whisky. A barrel to put it in, bottles and labels add $2 a case. If it is aged four years storage charges and evaporation raise the cost $3. Insurance protection adds another $1, a total of $7.50. The government at present rates will get $3.30. Grand total is $10.80. Then after the costs of various middlemen and distributors are added it is expected that for the next few years a case of four-year-old whisky will bring $30 but already there are predictions that by 1937 with overproduction people may be able to get a case for $11 or $12 just as before prohibition.

"Fortune" believes that if the United States whisky business uses its opportunities wisely it can dominate the domestic field soon. It has the advantage of a $5 per gallon tariff and with the administration determined to increase grain consumption the tariff is quite likely to be raised. Against gin it has the advantage of quality, the disadvantage of price. The present excise tax is $1.10 a gallon on all liquors. It will not do its part in producing the quarter billion dollars the administration has promised to raise by liquor taxation and Congress is likely to raise the tax anyway.

As for current prices Park and Tilford are asking $40 a case for stock on which $15 is tariff and tax. Scotch can be landed in New York for $10 a case and so Park and Tilford are getting a 60 per cent markup. Scotch at $40 a case is less than $3.50 a bottle. U. S. whisky to compete must be sold for $2.50 a quart and gin to compete with that for $1.50 a bottle. These prices are high and "Fortune" believes they will come down.

National Distillers starts with half the business within its reach because it now owns around 10,000,000 gallons, half the whisky in the United States. That company has seven distilleries and 52 warehouses. It holds 1,400,000 gallons of pre-war whisky. It holds 8,000,000 gallons of whisky distilled in 1929.

Not All Ballyhoo

Fortune, in its November issue, states that it does not consider that stock market interest in Walker is all ballyhoo. It points out that Hiram Walker has $5,000,000 on hand in Canadian government securities. It has 14,500,000 gallons of fully matured rye and bourbon which is three times as much fine old whisky as is at present available in the United States.

Walker could move its Canadian stock to Peoria and there, by cutting, produce some 85,000,000 gallons of potable liquor. "But," says "Fortune," "the firm considers its reputation and will probably produce no more than 25,000,000 gallons at the outside—all good quality whisky. Peoria, however, may not be able to cope with the Canadian inundation until many U. S. producers are well under way, that is, Walker's U. S. business may be slow starting. Even a flying start of 25,000,000 gallons would not last very long with the anticipated U. S. thirst and with these gallons gone the ability of Walker's Peoria plant to hold the pace against increasing competition would be at least problematical.

Fortune thinks that Walker's Canadian supplies have a decided "cloud-burst value" but that the steady rains are up to Peoria and most of Peoria is as yet under construction.

Finally, other Canadian firms are ready to sell a similar cloudburst to U. S. producers. Distillers Corporation-Seagrams (over 37 per cent owned by the Scotch Whiskey Trust, Distillers Co. Ltd.) has 13,700,000 gallons of its own in storage; Canadian Industrial Alcohol has 8,200,000 gallons.

Bootlegging Possible

If Congress decides on heavy duties to protect the U. S. industry it is argued that smuggling will be stimulated rather than diminished. Enquiries by Canadian distillers at Washington have led them to believe that this is the view of conservative advisers. Canadian liquors are still going through underground channels into the United States in considerable quantities. Several large consignments have been stopped but the mere fact that the attempts still go on indicate that a large number must get through.

A most extraordinary instance of the ingenuity displayed by the smugglers has just come to light. The administration has recently increased vigilance to stop smuggling supplies but in spite of that a steamship calling itself the Texas Ranger, ran the gauntlet of all the revenue boats, answered all the signals correctly, was like the actual Texas Ranger in every particular and would have delivered its cargo of 25,000 cases of Canadian whisky worth more than $1,000,000 but for the accident that the boat ran aground in the Hudson River. It was abandoned by a large part of the crew and it was then found that it was very cleverly disguised, that the actual Texas Ranger was still 200 or 300 miles out from the United States coast and that the boat was actually the Holmewood of Barbados, owned by the Continental Indies Shipping Co. Ltd.

France Protests

The new situation created by the embargo is reported to have given considerable dismay to British distillers and to French exporters. Canadian distillers still express confidence that their status has not been altered by the Washington embargo. Their understanding of the embargo is that it is intended to apply only until the repeal of the 18th amendment due around December 5. They state their understanding is that the Washington embargo was aimed in the first place against United States importers who were stocking up heavily on wines in order to reap quick profits from early sales, and that when the Washington government appreciated the situation in wines they simply put on an embargo to include alcohol stocks as well. Canadian companies still expect that they will get permits to export to United States and get these permits in time to enable shipments to be made within a short time after the repeal.

The United States syndicates are reported to have put up sums involving nearly $10,000,000 to get supplies of whiskies and other liquors in the British Isles. Scotch distilleries have been running full blast in recent months as they expect huge continuous orders after the wrecking of prohibition. In 1932 three-fourths of the Scottish distilleries closed with as high as ten years' supplies on hand which they were unable to sell due to excessive taxation imposed. Distillery shares have boomed there as they have in the United States and in Canada.

The French embassy has been instructed to make a strong protest to the United States stating that reconsideration of the French war debt would be impossible unless the American liquor market opened to French wines and liquors. New York importers have changed routing instructions for foreign wines and liquors from United States to Canada. It is their intention to mass these liquors in Canadian border towns for re-shipment to New York as soon as the prohibition ban is lifted. This will add about 50 cents a case to the cost.

OIL COMPANIES FEAR DUMPING U. S. GASOLINE

(Continued from page 1)

schedules do not allow such a large amount for distribution and service station expense. It is claimed by the oil companies that both distribution and service station expenses are greater in Canada because of the large distances to be covered in distribution and the comparatively small population to give its patronage to the service station.

Under the new schedule the minimum retail price of gasoline of 60 octane rating or better will be 14c. a gallon, not including taxes in New York City, the minimum price, including a 4½c. tax would be 18½c. against 18c. at present, equivalent to 22 cents per Imperial gallon.

Another worry of the business is indicated by announcement that the Ontario Motor League has arranged to give members a 2-cent a gallon cut on their gasoline bills if they purchase gas at a selected list of dealers. On oil the "cut" is 5 cents a quart. The dealers handle almost every well-known brand of gasoline and are the garage and service stations which have been handling service calls for the Motor League for many years.

Questioned as to the success of the plan, W. G. Robertson, league secretary intimated that to his surprise he found that many members were not interested because they were already getting quite as liberal a cut from their business connections or "friends" in the business. In one case a "cut" of as much as five cents a gallon was being obtained, while a surprisingly large number of members intimated that they had been getting 2 and even 3-cent cuts for some time through their office or personal connections.

SPECIAL telegraph wire facilities to speed your transactions in the exchange markets of the world.

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BANK OF MONTREAL
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Aggressive Marketing Enables U.S. To Beat Canada in U. K. Apple Mart.

More Systematic Marketing Methods Required if We are to Improve Our Position in Britain

By J. K. ROSS-DUGGAN,
Editor, Canadian Trade Abroad

All is not right with the Canadian apple industry, either at home or abroad.

Britain's Apple Purchases

There were imported into the United Kingdom during 1932, a total of 8,120,000 cwt. of apples, valued at £7,936,000, or $38,648,320, at par, of which the Empire supplied 48 per cent. Australia led the Empire countries with 1,684,000 cwt., representing an increase of 64 per cent over the previous year. Canada was a close second, with 1,612,000 cwt., being lighter by 9 per cent than in 1931. New Zealand forwarded 573,000 cwt., which was a rise of 70 per cent.

Two factors favorable to Empire growers operated throughout the year 1932 ,namely, the departure of United Kingdom from the gold standard in September, 1931, which was followed by many Empire countries; and the imposition of import duties upon fruits from foreign countries. There is at present a duty of 4/6 per cwt. on all foreign apples. Empire apples are admitted free of duty.

Notwithstanding these adverse circumstances, the United States maintained her position of leadership in apple exports to Great Britain, forwarding 3,157,000 cwt. during 1932, representing 37 per cent of British imports. This was a decrease of 10 per cent from 1931 figures, but still represented an increase of 41 per cent over 1930 figures. The total production of apples in Great Britain amounted to 3,217,300 cwt., just slightly above American imports.

Is An Open Market

The apple business in Great Britain is an "open" market, namely, one in which the majority of imports are from foreign countries, thus allowing leeway for the increase of Empire imports without impeding home production.

In Great Britain consumption is at the rate of only one-third that of the United States and Canada. Climatic conditions make it even more necessary for the inhabitants to consume fresh fruit than in North America. From a dietetic and nutritional standpoint, there is much scope for the further development of the apple market in Great Britain. Success of United States fruit growers in distributing their products in the United Kingdom and Continental Europe provides a useful study.

California Co-operation

The most successful example of world fruit distribution is that of the California Fruit Growers' Exchange, which in forty years has placed its oranges in every world market against the keenest possible competition.

The Exchange moved 58,201 cars out of the State of California during 1931-32, representing 73.6 per cent of the total fruit movement in the State and nearly 25 per cent of citrus fruit shipments in and out of the United States.

Oranges are classified, graded and branded. A common trade name of "Sunkist" is used. A plan of marketing has been developed whereby the orange distributing markets are zoned with a representative of the Exchange situated at a central point in each zone. Forecasts are made of the amount of fruit required from month to month and such amounts are forwarded from the various exchanges on a pro rata basis. Contact is maintained by telegraph and telephone between headquarters and each of the branch houses. This enables fruit to be diverted to avoid overstocked markets, surplus fruit is disposed of at fixed points and every precaution is taken to avoid disrupting market supply and consistent prices.

The Exchange is rounded out by research facilities, field organization staff, traffic, legal and auditing departments, and companies for the co-operative purchase of supplies.

There are over 23 district Exchanges and 60 district managers in charge of sales territories, including five in Canada and one in Europe.

Co-operation Voluntary

Throughout its history the California Fruit Growers' Exchange has maintained the principle of voluntary co-operation.

The matter of advertising and publicity is an important one in its relation to the disposal of a crop valued at $59,856,409 net. The total advertising is $1,460,000 a year, or less than 2½ per cent. Advertising activities of the Exchange are based on 5 cents a box on oranges and 10 cents a box on lemons and grapefruit.

The difficulties which faced the California Fruit Growers' Exchange in the United Kingdom and Europe are the same as confront the apple growers of Canada. There are broadly four ways of arranging export sales of fruit in the British market.

Types of Buyers

The "private treaty salesman" acts in a similar manner to commission men in Canada. The consignments are held in his warehouses and sold by private transactions between the buyer and the salesmen.

The "Auction Broker" handles a large proportion of imported fruits. Auction sales are held on set days of each week at all apple ports.

"Wholesale buyers" are speculators, buying for their own accounts to sell for maximum profit; buyers operating on commission for merchants including Continental buyers; or buyers for multiple shops and other bulk purchasers.

The "Shippers' Representative" is the nearest approach to the marketing system of the California Fruit Growers' Exchange. He acts as observer at the ports where the shippers' fruit is landed. His function is to safeguard the interests of his principals to the best of his ability without actually controlling prices.

Californian Methods

The method of the California Fruit Growers' Exchange was to have all their shipments consigned to the order of their London office, who had authority to direct shipments to the most suitable British port. The success of this method depended upon a continuous and accurate knowledge of market conditions throughout the European territory. This was accomplished by having contacts in the principal ports which constituted a skeleton organization somewhat similar to the American marketing organization.

Sales were made through all available channels, including private treaty salesmen, auction brokers, the representatives of large buyers, multiple stores, etc. Here, again, it was necessary to obtain co-operation from reliable brokers and merchants who will agree to fruit being taken away for sale in other ports without penalty charges and will loyally attempt to attain the best prices by an extra expenditure of time and effort.

Growers' Co-operation

The complete success of this scheme was dependent upon the co-operation of the home producers and shippers along the following lines:

The British territory offers a receptive field for scientific marketing organization. Within an area of some 90,000 square miles, is a population of 50,000,000 potential consumers. There are close to 30,000 retailers of fruits in the British market. Some 4,500 merchants located in 242 towns supply the requirements of these retailers. Surrounding the eight principal ports of entry are the following approximate populations: London, 15,000,000; Liverpool and Manchester, 14,000,000; Glasgow, 5,000,000; Hull, 5,000,000; Belfast, 4,500,000; Bristol, 3,200,000; Newcastle, 2,500,000; Cardiff, 2,200,000.

In addition there are actual and potential markets on the continent which offer direct and alternative avenues of distribution. Antwerp opens the market to 18,000,000 consumers, Rotterdam to 7,000,000; Esbjerg to 3,500,000; Hamburg and Bremen give entry to Germany's millions, Stockholm and Gothenburg are distributing points for Sweden's 6,000,000, Oslo is the port for Norway, while Helsingfors gives entry to the 3,500,000 population of Finland, to say nothing of possibilities in Latvia, Esthonia, Lithuania, France, etc.

Not all of these countries are active markets at this time, but world conditions are on the mend and the great potential markets of Europe should be a stimulus to Canadian apple growers to put their house in order and organize themselves nationally to increase export sales thereby reducing the overload on the domestic market and guaranteeing a profit to one of Canada's natural and important industries.

Canadian Marketing Methods

At one time there was a large market in Germany for Ben Davis apples grown in Canada. Suddenly that market closed. The Government authorities of the day did not consider it their duty to advise regarding alternative export markets, but urged apple growers immediately to cut down their Ben Davis trees for whose fruit there is no demand in Canada. Recently the commercial representative of the Ontario fruit growers found a latent market for Ben Davis apples in Sweden with the result that Canada cannot yet fully supply the requirements of that market. The growers of Ben Davis apples are now among the most prosperous in Canada.

The Federal Government has been urging growers to utilize domestic central packing houses and cold storage as an effective means of promoting exports; but when this has been done, the markets have not been available. It would be more practicable to start fruit moving out to a logical market, and then packing plants and cold storage would automatically follow. It has been too much a case of putting the "cart before the horse."

Service of Officials

From an export angle, the Department of Trade and Commerce through the trade commissioners abroad has rendered good service to the industry by reports on export markets.

The officers of the federal and provincial departments of agriculture have done a great deal to help from the production end, but have always sheered off anything smacking of distribution or marketing.

For many years Canadian apple growers shipped "wild," namely, to any one of the hundreds of apple brokers who operate in the United Kingdom and without any central supervision. Unsatisfactory conditions resulted. The growers lost money.

Apple growers' associations have existed in the majority of the apple-growing provinces for many years, for instance, the Associated Growers of British Columbia, who control about 50 per cent of provincial apple production, the United Fruit Growers' Association of Nova Scotia controlling about 40 per cent and the Fruit Growers' Association of Ontario controlling about 60 per cent of Ontario exports.

Today in British Columbia it is usual for associations to deal only with one broker in Great Britain. Many growers still continue to ship "wild." British brokers have established their agencies in Nova Scotia, and solicit consignments from the growers on the ground. This is no advantage. The largest association there handles its fruit thorough one broker in England and there are some growers who ship independently.

Ontario's Organization

The more active policy of the Fruit Growers' Association of Ontario had its genesis in the chance visit of a Canadian fruit grower to a broker in Liverpool, who had written in very eulogistic terms regarding a shipment of pears. The grower was somewhat overcome and decided to do a little quiet investigating. He found that he should have received several hundred dollars more for his shipment. The broker had charged a high rate of commission, and had made unauthorized allowances.

The apple growing industry of Ontario owes a debt of gratitude to W. B. Somerset, who acted on a "no-pay" basis in Great Britain for two seasons investigating the reasons why he, in common with other fruit growers, seemed unable to develop profitable exports to the United Kingdom. Finally, he adopted the principle of having carloads consigned directly to him and he personally supervised the sales of this merchandise with considerable success. He had the full co-operation of W. C. Noxon, the Ontario agent general in London.

In June, 1931, the Ontario Marketing Board was formed under the chairmanship of W. B. Somerset to straighten out the maladjustments in the marketing of agricultural commodities. It has made headway in the apple industry and as a result the apple growers of Ontario have been led to strengthen the hand of Andrew Fulton, representative of the association on the London market.

All shipments are now consigned to him. He has been able to get better prices and lower rates of commission and handling charges.

Does not Do Marketing

The Ontario Marketing Board is not an administrative body, but operates for the purpose of giving advice and recommendations to various branches of the Department of Agriculture, and also to associations and individual farmers in the matter of solving their marketing problems.

The board does not put the Government into business. It looks to the growers themselves to take the necessary steps to organize and provide their own marketing channels.

The various Ontario export associations are on a purely voluntary basis.

The three apple provinces of Canada ship their fruit to the British market without co-ordination.

Shipments from these provinces often glut certain ports and bring down the price for everybody, whereas, with proper control and co-ordination, it should be possible to route all apple shipments from Canada to the ports of apple entry in Great Britain so as to obtain the best price for the growers.

It now looks as if both British Columbia and Nova Scotia are going to take hold of their apple exports in somewhat the same way as Ontario, and have their own commercial representatives in Great Britain. Then it surely will not be difficult for three good Canadians, representing the apple growers of the Dominion, to work together for the best interests of all.

Mr. Ross-Duggan recently returned to Canada from his seventh visit to the United Kingdom and Western Europe. He made a two-months survey of these territories for Canadian exports. He is writing several articles on export trade possibilities for Canada.

This is the sixth article in the series.

Produce More Cheese

Cheese production in Saskatchewan increased from 320,305 pounds in 1931 to 541,242 pounds in 1932, according to the annual report of the Provincial Dairy Commission, for the twelve-month period ended April 30, 1933.

Air in Average Home Dry as Sahara Desert

Winter Heating Reduces Humidity to Unhealthy Levels—Air Conditioning is Modern Corrective — Makes Water Pans Antique

By A. W. LYNN

What will be the next great industry? The man who would set out to answer that question must inevitably in his investigations come across the trail of air conditioning. For here a great new industry, that is not new but that is pioneering new fields of service vaster than it has covered in the past is attempting to meet the critical comment voiced by Mark Twain on behalf of all mankind when he said that "everyone talks about the weather but no one seems to do anything about it."

To interpret the meaning of air conditioning to the average man as an executive, as an investor and even as an ordinary human being, subject to the irritations of varying indoor climates, The Financial Post begins here and will conclude in subsequent issues a deliberately non-technical discussion.

Variety of Equipment

Today the many companies who have taken up air conditioning in one aspect or another present an infinite variety of improved type of equipment to heat, humidify, cool and clean the air in your home, or your office or your factory, according to the season, ensuring a reasonable measure of health and comfort the year round.

Air conditioning is not exactly an overnight development. For a generation or more ventilation systems have been made for various types of industrial plants. And it is an old trick to condition the air in, say, a printing plant, so that the best work can be turned out. But the new air conditioning deals more with human beings and less with machinery.

Reproduce Weather

For several years, heating and ventilating engineers have been studying and experimenting with a view to perfecting systems to control the quality of the air we breathe indoors at all seasons of the year in order to gain the maximum of comfort and health. The outcome of these labors makes it possible today to install equipment in homes, office buildings and industrial plants to produce atmospheric conditions that are much more akin to those outdoors than has hitherto been possible or to provide such special conditions as may be required for varying technical processes.

In a sentence, air conditioning is the addition of humidifying, filtering, cooling and forced air circulation apparatus to present methods of heating. Warm air, hot water or steam systems can be adapted to fit into the air conditioning picture.

Certain Conditions Needed

It must not be assumed, however, that any kind of apparatus can be installed in any kind of building in conjunction with any kind of heating plant if the full benefits of air conditioning are to be realized. If the ordinary laws of physics are ignored in the installation or operation of the equipment, some penalty will undoubtedly be exacted.

For example, as was explained by James Govan, M.R.A.I.C., Toronto architect, while the desirability of increasing the humidity of indoor air in winter is generally admitted, the drawback of condensation and frosting on window glass cannot be ignored. On an ordinary single glazed window condensation will occur when the relative humidity is 30 per cent and the outdoor temperature is 25 degrees Fahr. With a double glazed window it will occur at 63 per cent humidity, but inasmuch as we get lots of days with an outdoor temperature below 25 degrees Fahr., it should be noted that at zero outdoors condensation will occur with 48 per cent humidity indoors, even with double glazed windows installed, and, as most people have observed, with single glazed windows the frosting and condensation nuisance is experienced even with the driest condition of air we are likely to encounter using ordinary simple heating plants alone.

This problem must therefore be faced when consideration is being given to the capital and operating costs of air conditioning equipment.

Installation Carries Sound

Another factor involved in the installation of any system of air ducts connecting the various rooms of a residence, suite, club, school, etc., is that of sound conduction from room to room. This problem can no more be ignored than that of condensation on windows.

Sound absorbing materials on the inside of ducts at certain locations have been used to overcome the difficulty, but the cost of these and other precautions against noise nuisance has to be taken into consideration in any fair economic evaluation of any type of air conditioning installation which creates such a problem.

Notwithstanding all that has been written about the advantages of modern air conditioning, it is a fact that man has not yet been able to reproduce indoors all the qualities to be found in the air outdoors in the open country or at the seaside.

Cannot Replace Sunshine

Something happens to air indoors brought into contact with mechanical heating apparatus, which deprives it of the stimulating quality associated with outdoor air under the best natural conditions. The full beneficial effect of solar radiation outdoors have not yet been reproduced artificially indoors.

Recent experiments indicate that there may be certain electrical qualities in outdoor air under favorable natural conditions that may influence human health and comfort to a considerable extent. If this is found to be so, some means will yet have to be devised to reproduce these qualities in the air breathed by human beings indoors.

Radically improved methods of building construction will materially reduce the cost of air conditioning as applied to new buildings. Further reference to this aspect of the subject will be made in a subsequent article.

Soon Be Commonplace

Automobiles, modern plumbing, telephones, radios are part and parcel of ordinary life today. Tomorrow air conditioning will be equally important. Properly conditioned air will be the generally accepted standard. Even in small homes it will be installed with the same degree of pride that electric wiring was built in at an earlier period.

To understand air conditioning we should first recall the deficiencies in usual attempts at ventilation. Most old buildings are woefully lacking in proper facilities for the replacement of vitiated air with clean air. The only attempt, in most of these cases, is to bring in a varying quantity of air without thought as to its proper circulation, its cleanliness, its temperature or moisture content. We raise or we lower the window, often doing more harm than good, 'though we don't realize it.

Always a Problem

Fresh air for buildings, from a health and comfort standpoint, has always presented a problem. Air conditioning overcomes this difficulty whether the building be a large department store, an office building or a small home.

When air conditioning experts speak of controlling the quality of the air within an enclosure they have in mind, at the present state of development in the industry, four prime factors.

First, the temperature of the air;
Second, the moisture content of the air;
Third, the cleanliness of the air;
Fourth, the proper circulation of the air.

Humidity Important

Ordinarily, in most buildings or dwellings, only one factor is under control — that of the temperature, and then only during the winter season. Proper air conditioning brings the temperature and humidity content under automatic control. The result is a very much improved climatic condition within the enclosure at all seasons, but free from troublesome "weather" changes.

The latter feature is particularly important in the manufacture of many products and has been employed for some time to improve the efficiency of machinery. It is now being recognized that proper air conditions greatly increase the efficiency of workers as well.

Improves Health

This is the season of the year when the druggists commence to replenish their store of cough syrups and throat easers and other drugs to meet that nuisance known as the common cold.

Huge sums of money are spent in this country in fighting diseases of many kinds. Physicians tell us that many of these maladies have their beginnings with the common cold.

During the winter most people spend the bigger percentage of their time indoors. Stagnant, very dry and impure air has an adverse effect on health. The human body, in many cases, cannot stand the sudden change in temperature when in a run-down condition. This very often paves the way for acquiring a chill, or a germ to which the system is susceptible.

As winter approaches in Canada, preparations get under way to "seal up." Storm windows are installed; weather stripping and caulkings are added to the window frames to prevent cold air from getting into the heated rooms and increasing heating costs. When the heating plants are put in operation, most of us are familiar with the dryness of the air indoors. Those who have studied this condition say that the air in most Canadian buildings, where no attempt is made to condition it, is as dry as the atmosphere of the Sahara desert. This condition, of course, dries up the necessary body moisture and lowers the vitality of the human body.

Need Moisture Content

Lack of proper moisture content or relative humidity of the air in buildings is the seat of much of the trouble. According to reliable figures gleaned from engineering tests, in an average home of about 15,000 cu. ft., about three-quarters of a gallon of water should be evaporated each hour to maintain a healthful relative humidity of 40 per cent to 50 per cent with winter conditions prevailing out-of-doors.

This will serve to indicate how totally inadequate are such makeshifts as pans of water hung on the backs of radiators and the old type evaporating pans on the ordinary warm air furnace.

It has also been proven by actual test, that with proper air conditioning a room heated to a temperature of 70 deg and having a relative humidity (moisture content) of around 60 per cent, is infinitely more comfortable than the same room with a temperature about 75 deg., but with a moisture content of only 10 per cent. To most of us the extremely hot, sticky summer days are an unpleasant recollection. In cold weather one can at least keep warm, but during the hot, sultry season, it is difficult to remain cool.

During the midsummer season of high temperature the moisture content of the air is at its maximum and the air cannot readily evaporate the moisture from our bodies.

"It isn't the heat; it's the humidity." Here again the complete air conditioning system in a building relieves distress by controlling both the temperature and humidity. A portion of the moisture content of the air is given up as the air is passed through the cooling unit. The indoors under these conditions become a haven of retreat from the high temperature and humidities outside. Homes, offices, theatres and shopping centres, under these conditions, are no longer places to be dreaded but to be actually enjoyed.

In the next article on this subject, which will appear in an early issue, we will look a little closer and learn how air conditioning equipment actually operates to bring these benefits.

"There are in Toronto 43 newspapers printed in 18 different languages propagandizing communism."—*Baroness de Hueck.*

The fifth of a series of advertisements in which are restated the basic principles which guide our trust work.

How We INVEST
TRUST FUNDS

Fidelity to TRUST

In the investment of trust funds, we, as trustee, are guided by the following:

1. The directions in the will or trust agreement:
—when it specifies the kind of investments to be made or held.
—when it gives us discretionary power to purchase, retain, or sell investments.
—the law respecting investments by trustees when no investment directions are given.

2. Opinion of Counsel —if there is any doubt as to the interpretation of the directions in the will or the trust agreement.

3. Consultation with beneficiaries of the trust.

4. The collective judgment of our special Investment Committee composed of experienced officers and directors who direct and pass on all investments, their retention, or sale.

THESE are the basic principles which guide the investment phase of our trust work. The safety of principal and dependability of income—not hope or expectation of unusual gain through speculation—are the important factors in every consideration.

We keep in mind constantly the reasonable income requirements of all beneficiaries. We make continuous and determined effort to fit investments to circumstances—to utilize every means available to keep them in such form as to yield the maximum income that can be obtained with safety for the particular purposes of each case.

We Invite Enquiries Regarding Our Services

Crown Trust Company

William I. Gear, *President* — John Jenkins, *Vice-President*
Arthur Lyman, *Vice-President* — Irving P. Rexford, *Gen. Manager*

393 St. James Street - - Montreal

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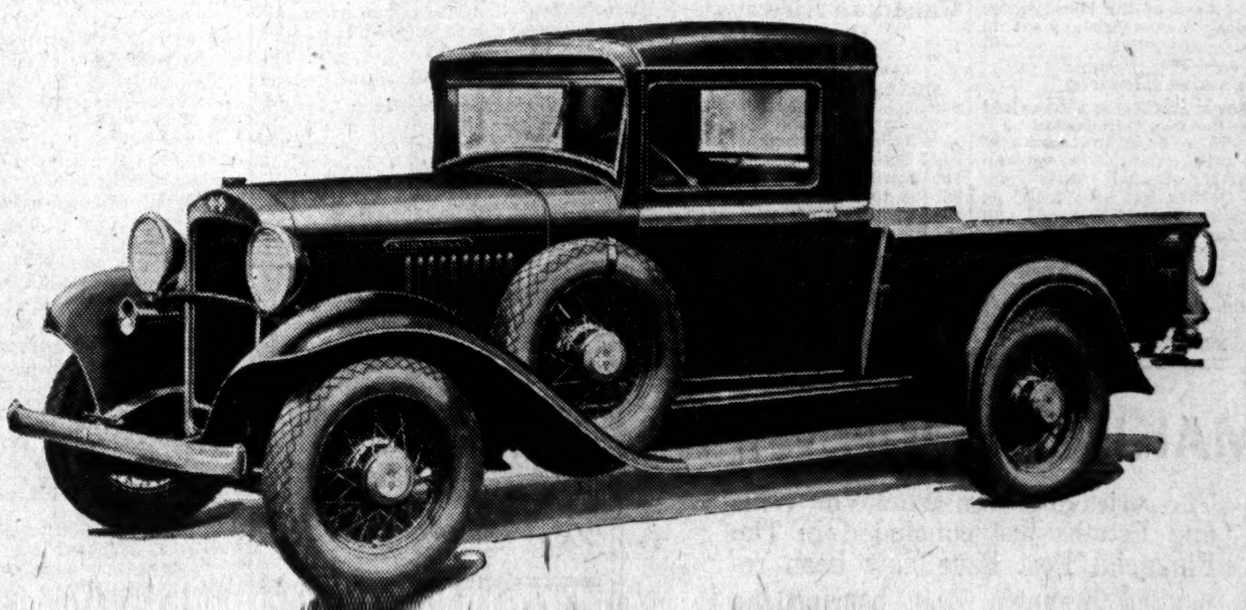

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With all steel coupé cab and steel pick-up body — an unusually sturdy truck with outstanding mechanical features.

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GENERAL CONTRACTORS — This flat-bed body is very suitable for hauling light equipment and tools, also for transporting men rapidly from one place to another.

HARDWARE SUPPLY HOUSES AND RETAILERS — The attractive appearance, speed and operating economy are important factors in the success of your business.

HOUSEHOLD APPLIANCE DEALERS — This truck for electrical appliances, radios, refrigerators and similar specialties is ideally suited.

Business men operating in the above classifications will find this New D-1 Truck presents unusual possibilities for increased business and profits, due to outstanding features engineered and built into the Model D-1 by

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New ideas — new trends — complete campaigns — a display of the best work of the day — keep in touch with modern methods in all forms of advertising — see this exhibition.

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The first complete exhibition of the work of Toronto commercial artists — a chance to study the style and technique of illustrations which have made successful advertisements.

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★ ANNUAL DINNER
Speaker, R. H. Grant, Vice-President in Charge of Sales, General Motors Corporation — a salesman with an important message for every sales and advertising executive.

EXHIBITS in the Ball Room, Convention Floor. Open all day. Admission free.

DINNER in the Banquet Hall, Convention Floor, 6.30 p.m. Tickets, $1.50, at door. Informal.

If you are interested in sales or advertising you will not want to miss this important exhibition and meeting—all sales and advertising executives are welcome.

THE ADVERTISING AND SALES CLUB OF TORONTO

Utilities and Transportation

CENTRAL STATION OUTPUT DECLINED DURING SEPTEMBER

Daily Average Shows Gain—Marked Improvement Over 1932

From Our Own Correspondent

MONTREAL.—Central electric stations were unable to maintain the rapid pace set in August, but production in September is relatively high and exceeds that for the same month last year by over 210,000,000 kw.h. On a daily basis production was higher in September than in August.

According to the Bureau of Statistics central electric stations had an output in September of 1,489,-329,000 kw.h. This compares with 1,508 216,000 kw.h. in the previous month and with 1,279,140,000 kw.h. in September, 1932. In the more significant comparison of daily output, the September figures of 49,-644,000 kw.h. compare with 48,-652,000 kw.h. in August, 1933 and 42,638,000 kw.h. in September, 1932.

Maritimes Move Up

In breaking down the central station output generated by water power, the bureau credits the Maritime Provinces with an output of 44,478,000 kw.h. in September. This compares with 43,785,000 kw.h. in August and 48,069,000 kw.h. in September last year.

Quebec's output dropped from 865,746,000 kw.h. in August to 829,045,000 kw.h. in September. Compared with a year ago, however, there is a substantial increase, output in that month totalling only 687,586 000 kw.h.

Ontario Stations Active

Despite the short month Ontario stations produced 400,106,000 kw.h. of energy in September. This is the highest output reported in many months and compares with 337,-472,000 kw.h. in the same month last year.

The Prairie Provinces were able to report a substantial increase last month, production totalling 90 253,-000 kw.h. as against 83.178,000 kw.h. in August last and 90,082,-000 kw.h. in September, 1932.

British Columbia's stations were able to advance output from 97,-649,000 kw.h. in August to 98,617,-000 kw.h. in September. For September last year the stations reported an output of 91,485,000 kw.h.

Fuel Output Greater

In addition to the energy generated by water power, there is also a fair production generated by fuel. In this division, the central stations reported an output of 26,-830,000 kw.h. in September, a figure larger than that reported in many months past. Of this total the Prairie Provinces accounted for 13,719,000 kw.h., while other provinces contributed 13,111,000 kw.h. The principal advance was reported by the "other" provinces.

Exports Record Increase

A feature of the central electric station operations last month is seen in the export of energy which totalled 122.905 000 kw.h. This compares with 109.592,000 kw.h. in the previous month and with 71,-500,000 kw.h. in September, 1932.

Manitoba Power Co. Not Affected by Wood Deal

From Our Own Correspondent

MONTREAL.—Manitoba Power Co. may not benefit from the reported purchase of 20,000 cords by the Manitoba Paper Co. Expectations were that the purchase of pulpwood meant the opening up of the Pine Falls plant but G. T. Clarkson, receiver and manager, states that the purchase of the wood does not mean that the plant will be reopened. It is not stated where the pulpwood is to be shipped, but in purchasing the wood in Manitoba, the company was able to have the provincial government suspend application of a 2 per cent tax on the Pine Falls property. It is possible that the wood will be shipped to the head of the lakes, where the company has another plant in operation.

City Gas and Electric Stock Listed on Market

From Our Own Correspondent

MONTREAL.—Common stock of City Gas and Electric Corp., controlling a number of small utility properties in Quebec, has been listed on the Montreal Curb Market and will be called for trading on November 1.

The company, according to an announcement made by the president has made progress since the beginning of the year, having taken over the assets of the Yamaska Power Co and Consolidated Utilities Ltd.

Electricity Consumption Off Slightly in September

From Our Own Correspondent

MONTREAL.—Quebec was the only area to report a smaller consumption of electric energy in September compared with the preceding month. For many months past this province has been setting the pace and in August last established an all-time record for consumption.

During the past month electric energy consumed in Quebec, according to returns compiled by the Bureau of Statistics, amounted to 610,490,000 kw.h. This compared with 655,785,000 kw.h. in the previous month and with 527.152,000 kw.h. for September 1932. The current decline therefore amounted to only 45,000.000 kw.h., but in comparison with September last year there was an increase of nearly 85,000,000 kw.h.

Maritimes Report Gain

Maritime Provinces report a consumption of 56,414,000 kw.h. in September. This represents an increase of more than 2,000,000 kw.h. over the preceding month, but is roughly 1,000,000 kw.h. under that reported for the same month last year.

Ontario continues to record an improvement, consumption in September totalling 496,918,000 kw.h. as against 427,604,000 kw.h. in the same month last year. The current figure is the largest reported for many months.

British Columbia continues to report increasing consumption, returns for September totalling 97,-661,000 kw.h. compared with 96,-430 000 kw.h. in August 1932 and 90 507,000 kw.h. in September, 1932.

After lagging behind for several months, the Prairie Provinces reported an increase in consumption from 83 178,000 kw.h. in August to 90,253,000 kw.h. in September. This is practically the same as reported in September last year.

QUEBEC POWER CO. COVERS DIVIDENDS THIS YEAR TO DATE

Net Income to September on Lower Scale Than Last Year

From Our Own Correspondent

MONTREAL.—Earnings of Quebec Power Co., controlled by Shawinigan Water and Power Co., were well maintained during the three months ended September 30 last, while for the first nine months of the current year net income was sufficient to cover dividend requirements on the common stock by a fair margin.

Gross revenue during the third quarter of 1933 amounted to $957,-057 compared with $1,063,396 for the same period of 1932. Operating expenses were reduced by over $100,000, leaving net income at $362,502, or about the same as a year ago. Increased interest and premium charges on exchange, reduced the net profit available for dividends, depreciation and income tax, by nearly $17,000.

Net Income Maintained

Particulars of income during the third quarters of 1933 and 1932 follow:

Third Quarter Period	1933 $	1932 $
Gross revenue	957,057	1,063,396
Oper. expenses	594,555	698,012
Net income	362,502	365,384
Less: Interest	146,696	146,695
Exchange	2,160	†11,361
Net profit*	213,646	230,050

*Before depreciation and income tax.
†Credit.

Gross Revenue Lower

For the nine months ended September 30 Quebec Power's gross revenue totalled $2,856,745 as against $3,174,585 for the same period of 1932. After providing for all senior charges there remained $656,233, compared with $717,019 in 1932. The latter figure does not make allowance for depreciation charges or income tax.

Nine Months Returns

Comparative income statements for the first nine months of 1933 and 1932 follow:

Nine Months Ended September 30	1933 $	1932 $
Gross revenue	2,856,745	3,174,585
Operation, taxes and other expenses	1,734,736	2,000,604
Exchange on bond int.	25,690	15,730
Fixed charges	440,086	441,232
Surplus before deprec. and income tax	656,233	717,019

Canadian Airways Progress in August

From Our Own Correspondent

MONTREAL — Canadian Airways' machines flew 1,392 hours in August bringing the total for the eight months of the current year up to 9,012 hours. This represented a mileage flown of 127,162 in August and 822,699 to date.

Mail, freight, express, etc., carried in August amounted to 286,007 lbs., which added to that reported at the end of July, brought the total to date up to 1,691,504 lbs. Some 3,594 passengers were transported in August, making a total of 11,968 between January and August.

"MAKING YOUR WILL"

The series of eleven articles on Wills and Estates just concluded in The Financial Post have now been reprinted in book form, bearing the title, "Making Your Will."

32 Pages, 6" x 9" *Price 50 Cents*

This new book tells in simple, non-technical language the points to be considered in making a will and includes useful discussions on Succession Duties and Trusts.

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Montreal Coke Gross $30 a Ton

From Our Own Correspondent

MONTREAL. — Montreal Coke and Manufacturing Co., jointly controlled by Montreal Power and the Koppers Co. of Canada, increased its sales of domestic size coke from 147,000 tons in 1929 to 210,-000 tons in 1932. In 1930 and 1931 sales totalled 179,000 and 210,000 tons, respectively. For the current year it is expected that the volume of business will be below 200,000 tons.

In giving evidence at the coal combine trial at Quebec City, the president of the company stated that coal was purchased for an average price of about $7.50 a ton, from which was secured approximately 12,000 cubic feet of gas, having a net sales value to the consumer of $18 and $12 worth of coke, or a total of $30 on each ton of coal. This does not take into consideration other by-products which have a commercial value.

OTTAWA POWER REVENUE TO DATE TOPS LAST YEAR

Position of Collateral Bonds Improved by June Maturity

From Our Own Correspondent

MONTREAL. — Moderate improvement in gross earnings and substantial economies in operating expenses, have enabled Ottawa Light, Heat and Power Co. to show a steady monthly increase in net earnings after provision for all senior charges. Net income for the nine months ended September last is stated to be well in excess of that for the same period last year.

At the middle of the year $625,-000 of 5 per cent bonds of the Ottawa Electric Co. were redeemed. Until April this year Ottawa Power's collateral trust bonds, due 1957, were secured by refunding mortgage on both Ottawa Electric and Ottawa Gas properties. Since redemption of the June maturity, Ottawa Power 5's are now a clear-cut first mortgage on the Ottawa Electric property; and from January 1st on. when a small amount of Ottawa Gas first mortgage 5's matures, the Ottawa Power bonds will be secured by first mortgage on Ottawa Gas property as well.

The company continues to maintain a satisfactory cash position—its current assets on September 30th amounting to twice current liabilities.

Verdun Raises Valuation on Public Utility Property

From Our Own Correspondent

MONTREAL. — Municipal Council of Verdun, a municipality within the Greater Montreal area, believed that the utility companies doing business within its territory should have an increased valuation for taxation purposes. To that end a value of $45.-476,000 has been placed on utility property. This includes a valuation of $2.500,000 for Montreal Light, Heat and Power Consold., $600.000 for the Bell Telephone Co. of Canada, and $52,300 for the Cedars Rapids Manufacturing and Power Co.

Public Utility Earnings

Twin City Rapid Transit
Nine Months Ended Sept. 30

	1933 $	1932 $	Decr. %
Gross revenue	5,965,478	6,977,272	14.50
Oper. exps.	4,715,835	5,524,237	14.63
Net revenue	1,249,643	1,453,035	14.00
Less: Fixed chgs. & taxes	1,401,383	1,413,654	0.87
Net income	‡151,740	39,381	....

‡Loss.

Brazilian Traction

September:	1933 $	1932 $	Increase $
Gr. earn.	2,450,869	2,241,861	209,008
Oper. exp.	1,061,936	965,177	96,759
Net earn.	1,388,933	1,276,684	112,249
Nine Months End. Sept. 30:			
Gr. earn.	21,362,167	22,691,121	*1,328,960
Oper. exp.	9,593,556	9,566,711	26,839
Net earn.	11,768,611	13,124,410	*1,355,799

*Decrease.

B. C. Power Corp.

September—	1933 $	1932 $
Gross income	1,017,199	1,059,379
Oper. expenses	707,715	764,155
Net income	309,484	295,224
First Quarter—		
Gross income	3,034,054	3,172,888
Oper. expenses	2,152,713	2,304,198
Net income	881,341	868,690

Canada Northern Power

September—	1933 $	1932 $
Gross earn.	309,361	287,609
Oper. exp.	91,404	90,559
Net earn.	217,957	197,050
Nine Months Ended Sept. 30		
Gross earn.	2,700,326	2,561,050
Oper. exp.	816,235	802,166
Net earn.	1,884,091	1,758,884

NFLD. RAILWAYS BEGIN TO SHOW OPERATING PROFIT

Long Run of Annual Deficits May Be Broken This Year

Net profit of $9,000 is reported for the Newfoundland Railways in the month of July, as compared with a loss of $10,000 in July, 1932, and operations of the railways since July are reported to have been on a profitable basis. According to H. J. Russell, general manager of the railway, there is a possibility that the present fiscal year will show a profit for the first time since the system came under government control. In the year ended June 30, 1933, the deficit of the entire system which includes railways, steamboats and dry docks amounted to $214,332, as against $339,132 for the previous year.

In 1923-4 extraordinary traffic, due to construction of the paper and power plant at Corner Brook, almost enabled the railway system to balance its accounts, but in the last nine fiscal years deficits have been heavy and reached a peak of $709,-608 in 1930-31. Improvement in 1932-3 was due to reduction in expenditures and curtailed services and was made despite a drop of over $100,000 in gross earnings. Gross earnings in 1932-3 totalled $2,208,-000 and expenditures $2,422,000. Steamers showed an operating profit of $18,000, while the dock yards practically broke even. Mr. Russell states that economies affected maintenance and that every effort had been made to keep the system in the best working order.

The steamer "Portia," operating on the Halifax service, is stated to be paying her way at the present time and picking up passengers every trip.

The annual deficits for the system since 1924 have been as follows:

1924-5	$358,905
1925-6	$743,797
1926 7	$617,675
1927-8	$440,159
1928-9	$487,617
1929-30	$380,493
1930-1	$709,608
1931-2	$339,132
1932-33	$214,332

CANADA NORTHERN PROFITS ADVANCE AS MINING GROWS

September Net Income Up as Power Sales Increase

From Our Own Correspondent

MONTREAL.—An increase of 8 per cent in power output and a gain of $125,207 in net earnings, is reported by Canada Northern Power Corp. for the first nine months of 1933 in comparison with the same period last year.

This improvement in operations and earnings reflects increasing activity throughout the territory served, more particularly in the gold mining districts of Porcupine, Kirkland Lake and Northern Quebec.

Second Largest Increase

During September the company reported a gross income of $309,-361, or $21,752 in excess of that noted in the September, 1932, returns. Operating expenses were only slightly higher, leaving net earnings at $217,957, or $20,907 more than in the same month last year. This is the second largest monthly increase in net earnings reported by the company.

Cumulative returns for the nine months ended with September last reveal gross earnings at $2,700,326, a gain of $139,276 over the same period of 1932. Operating expenses increased by only $14,069, so that net income for the nine months past at $1,884,091 was $125,207 more than in 1932.

Add More Customers

Last month Canada Northern added 161 new customers to its system, bringing the total number of new customers since the beginning of the year up to 611 and making a grand total of 13,116. At the end of September last year the company had 12,119 customers.

Power output of Canada Northern for the nine months ended September, 1933, totalled 349,224,720 kw.h. This represented an increase of 24,017,710 kw.h. over the same months in 1932. Production in September alone amounted to 39,666,-250 kw.h., or about 8 per cent more than in the same month last year.

B. C. Power Registers Net Income Increase

From Our Own Correspondent

MONTREAL. — British Columbia Power Corp. continues to report a moderate increase in net operating income, due to greater economies in operating expenses as gross revenue continues to be somewhat less than a year ago.

Gross earnings last month totalled $1,017,199 compared with $1,059,379 in September last year. Operating expenses were reduced from $764,155 to $707,715, leaving net income at $309,484 compared with $295,224 in September, 1932.

For the first three months of the current fiscal year ended September the company's gross income totalled $3,034,054 expenses $2,152,713 and net revenue $881,341. For the corresponding period last year gross income amounted to $3.172,888, expenses $2,304,198 and net $868,690.

Value of '33 Fish Catch Rises in Newfoundland

Some improvement in the business outlook in Newfoundland is indicated in the following summary published in the current monthly report of the Bank of Montreal:

"Anticipating higher prices in foreign markets owing to the shortage of the shore fishery, local buyers are increasing prices to fishermen. Notwithstanding the shortage, the value of the catch is likely to exceed that of last year, due to higher sterling rates. Consumption of dried codfish in all foreign markets is reported as good, with prices steady. There is no improvement in the situation in Brazil. The paper mills at Grand Falls and Corner Brook are both working at capacity. Mining operations at Buchans continue on a full time basis. Wholesale and retail trade is below normal; collections are fair to poor."

Railway Earnings

Railway Earnings

Week End. Oct. 21—	1933 $	1932 $	Decrease $
C. P. R.	2,718,000	2,774,000	56,000
C. N. R.	3,581,882	3,570,983	*10,899

* Increase.

Less Energy Used By Electric Boilers

From Our Own Correspondent

MONTREAL. — Electricity used in electric boilers during the past month was less than in any month since midyear. The decline was due principally to the drop reported by Quebec, where 182,405,000 kw.h. of energy were used compared with 211,498,000 kw.h. in August and 190,270,000 kw.h. in June last.

Electric boilers in Ontario, according to the Bureau of Statistics, used 36,913,000 kw.h. in September and 39,-807,000 kw.h. in August. The total for last month, however, is well above the average for the past six months. British Columbia reported a slight gain for September, energy used amounting to 129,000 kw.h. compared with 120,000 kw.h. in August. Manitoba reports 3,746,000 kw.h. in September, the largest for any one month to date.

ALUMINIUM LTD. SALES THIS YEAR ON LARGER BASIS

Ottawa Trade Agreements Proved Helpful in Selling Products

From Our Own Correspondent

MONTREAL. — Inter-Empire trade agreements reached at Ottawa last summer have proved helpful to Aluminium Ltd., which controls some 38 subsidiaries handling aluminum from the raw material to the selling of the finished products, sales to the United Kingdom and India having been an important factor in gains recorded during the first eight months of this year.

World stocks of aluminum outside the United States have been holding their own this year, showing no appreciable increase or decrease, according to an official statement in the Wall Street Journal. In view of the fact that stocks have held steady despite greatly increased activity at various Aluminium Ltd. plants this year, a sharp pick-up in distribution of aluminum among consumers is indicated. The big smelting plants in Canada furnish a large part of partly-finished aluminum used in company's fabricating plants in Europe and Asia, and Canadian shipments of aluminum have shown a sharp upturn this year. Most of Canadian aluminum exports consist of bars, blocks, etc., consigned to fabricating plants abroad.

Exports Reflect Sales

During the first eight months of 1933, Canadian exports of aluminum totalled in value $3,374,091, against $1.914,775 in the corresponding 1932 period. August exports were $132,000, against $1,-025,000 in August, 1932, when heavy shipments were made to Russia. Amount of exports to United States is negligible, except in the winter months when navigation on the St. Lawrence River is closed and shipments are made by rail to New York from where the aluminum is shipped abroad by boat. Peak of aluminum export movement is in the spring, at opening of river navigation, and in late fall, just before navigation closes.

As distribution of aluminum to the consumer has about equalled production this year, the sharp upturn of exports from Canada is indicative of actual sales. In 1932. also, all the aluminum produced (with various companies operating at about 50 per cent of capacity) was sold.

BUILDING PERMITS SHOW SLIGHT GAIN

September Increase Differs from Seasonal Trend for 13 Years

Building permits issued by 61 Canadian cities during September totalled $2,032,839, an increase of 4.9 per cent from the August totals but a decrease of 17 per cent from the total of $2,448,735 recorded in September, 1932. Increase over August differs from the experience of the past 13 years during which September permits have shown an average decline of 12 per cent from August totals.

Increases in September over August totals were reported by Prince Edward Island, New Brunswick, Quebec, Manitoba, and British Columbia, with the gain of 47.5 per cent, being the largest. Ontario had the largest decline of 19.9 per cent. Compared with September, 1932, totals all provinces showed a decline except Prince Edward Island and Quebec with British Columbia showing the largest loss of 40 per cent.

In the nine months ended September 30, 1933, the value of permits issued totalled $16,125,512 which was only 13.4 per cent of the 1926 total on which the Dominion Bureau of Statistics index is based. Total of permits in the corresponding period of 1932 was $35,026,199 or 29.1 per cent of the 1926 total. Average index of wholesale prices of building materials in the first nine months of 1933 showed little change from 1932 being 77.2 per cent as against 77.6 per cent in 1932.

	Sept., 1933	Aug., 1933
Charlottetown	$ 91,200	$ 10,200
Halifax	32,486	71,800
Saint John	11,497	13,039
Montreal	454,544	269,420
Quebec City	72,594	71,328
Hamilton	44,175	143,050
Ottawa	125,185	119,800
Toronto	325,213	405,469
York and East York Twnsp.	80,455	55,375
Winnipeg	97,850	73,750

Canadian Car's Amherst Plant Secures Contract

From Our Own Correspondent

MONTREAL. — Contract for the construction of two boilers for lightships of the Department of Marine off Nova Scotia has been awarded to the Robb Engineering Co., of Amherst, subsidiary of Canadian Car and Foundry Co. The contract will keep the boiler shop in the Amherst plant in operation for several weeks.

BREWING CORP. BUYS INTEREST IN COSGRAVE

Receives Stock of Peerless Motor Car in Return For Services

Brewing Corp. of Canada Ltd. has acquired a substantial interest in the Cosgrave Export Brewery Co., it is announced officially and E. P. Taylor, president and general manager of Brewing Corporation has been appointed a director of Cosgrave Export Brewery Co. It is stated that the stock acquired does not constitute legal control. Cosgrave has a brewery at Toronto with installed capacity for some 100,000 barrels of beer annually. Products include lager, ale, porter and 4.4 beer. There are 100,000 shares of $10 par value outstanding.

Brewing Corporation will receive 25,000 shares of Peerless Motor Car Corp., of the 461,000 shares of common stock outstanding, in return for advice and assistance to be rendered to Peerless Motor Car Corp. over a five-year period in connection with the establishment of brewing plants in the United States. Peerless has incorporated a subsidiary known as Brewing Corp. of America and has United States rights to all formulae and processes of Brewing Corporation of Canada. Stock received by the Canadian company will be placed in escrow for three years. As long as Brewing Corp. of Canada holds 10,000 shares of Peerless Motor Car Corp. Brewing Corp. can have a representative on the Peerless board of directors.

English Investment

Announcement was made recently that more than 20 per cent of the preferred shares of Brewing Corp of Canada have been acquired by an English group representing several prominent investment trusts.

On October 31 shareholders will meet to consider a change in capitalization of the company which will reduce the book value of preferred and common shares and increase capital surplus. It is also proposed to create a cumulative convertible prior preference stock of which there would be authorized not more than $500,000 par value of 500 000 shares of no par value with fixed dividends of not more than 6 per cent or 60 cents per share. It is also proposed to create an additional 250 000 preference shares and 500,000 additional no par value common shares.

NEWSPRINT SALES GAIN IN SEPTEMBER

Export Tonnage and Value Well Ahead of Last Year

From Our Own Correspondent

MONTREAL. — Newsprint exports from Canada had a higher value in September than in the previous month or the same month a year ago. Exports last month, according to the Bureau of Statistics, were valued at $6,612,258 compared with $6,237,054 in August, 1933, and $5,424,021 in September, 1932.

For the 12 months ended with September exports were valued at roughly $20,000,000 lower than in the 1932 period, totalling $69,701,027 as against $89,726,144 in the previous year. This was due to the decline in the value per ton and not to a falling off in demand, exports during the past year being slightly larger.

More Pulpwood Shipped

Pulpwood exports in September to the United States, which covers all shipments, totalled 109,636 cords valued at $792,168 compared with 104,205 cords at $806,306 in August, 1933, and with 74,448 cords worth $738,979 in September, 1932.

The export of woodpulp and screenings in September totalled 1,261,667 cwts. valued at $2,372,807. This compares with 1,382,108 cwt. at $2,655,779 in August, 1933, and 632,723 cwts. at $1,372,728 in September a year ago.

Half Empire Imports Enter Canada Free

In consequence of the increase in the number of commodities entitled to free entry into Canada under the preferential tariff, due to the trade agreements, the free imports of the total imports for the first five months of the current fiscal year compared with a similar period last year from Empire countries increased from 36.29 to 50.16 per cent and from the United Kingdom from 32.96 to 51.85 per cent. During the same interval the percentage of free imports of the total imports from the United States decreased from 44.12 to 40.29 per cent.

The free imports from all countries increased from $69,348,842 to $69,446,-350; from Empire countries the increase was from $18,112,100 to $26,-938,964; from the United Kingdom from $11,774,949 to $20,858,858. The decrease in free imports from foreign countries was from $51,236,742 to $42,507,386. There was an actual increase in the free imports from the United States of from $9,266,550 to $35,472,082, but the proportion of the total imports was less. The total imports increase in the period from $21,005,239 to $88,037,388.

Mortgage Finance Corp. Group Working on Plan

From Our Own Correspondent

MONTREAL.—A bondholders' protective committee is now engaged in fashioning a plan of action designed to determine the position of the holders of Mortgage Finance Corp. bonds. The committee indicates its intention of forming a unit of as large a majority of the bondholders as possible for such joint action as may be determined upon.

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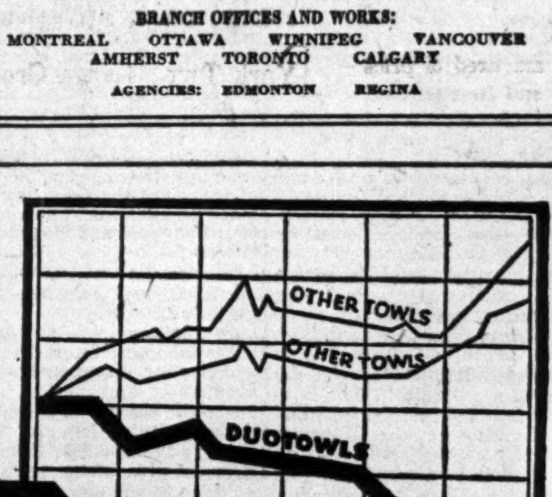

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News of Investment Markets

BONDS WEAKER IN ALL SECTIONS TRADING QUIET

Western Provincials and Corporation Liens in Broad Decline

Canadian bonds were inclined to weakness in all sections of the list during the week ended Oct. 24. Gilt-edged issues held near their closing levels of a week previous, but Western provincials were off from fractions to one point, while corporation bonds lost up to five points. Trading became dull.

Conversion loan 12-year 4's have been offered steadily at 96, half a point below the issue price. The six year 4's have been bid for at 99, the issue price, and are offered slightly above that. The slump in high-grade issues was moderate but clearly evident.

Western Provincial bonds receded on a broad front, practically all active issues yielding ground. There was little to choose between the four provinces apparently, all suffering from comparative apathy of buyers. Recent weakness in wheat prices has apparently taken effect after a lag by bonds. Some authority consulted recently by The Financial Post feels that something will have to be done to ease the debt burden of the Western provinces. Interest will have to be scaled down, he thinks, and perhaps even principal may have to be reduced on some Western issues.

Corporation Liens Off

Corporation bonds were lower in all sections, foods, ultilities, construction, transportation and paper. Price Bros. 6's of 1942 lost 3½ points on the bid side to 6½, after having put on over 10 points in the two previous weeks.

Among the larger gains recorded in isolated cases, C.P.R. 4½'s of 1944 were up 4½ points on the bid side to 75½, but the convertible 6's of 1942 were 1½ points easier at 102½. Canadian Cottons 5's of 1940 gained two points to 92 and Mercury Mills 5½'s of 1953 rose two points to 52 bid. Federal Grain 6's of 1949 were up three points to 70, despite marked weakness in some of the other grain liens.

Municipal sales were sparse. Difficulties in Walkerville, Ont., and default in East York township, Ont., gave the municipal picture a dismal tone.

Average yield on seven high-grades, showing the trend of the gilt-edged market, is shown below:

Average Yield on Seven High-Grade Canadian Bonds

Oct. 24	4.420	Oct. 18	4.413
Oct. 23	4.419	Oct. 17	4.420
Oct. 21	4.411	Oct. 16	4.420
Oct. 20	4.411	Sept. 30	4.459
Oct. 19	4.417	Aug. 31	4.359

EAST YORK TWP. GOES IN DEFAULT; SEE SUPERVISION

York Twp., Large Creditor, May Take Action to Get Interest

East York township, Ont., is now in a similar position to York township, having gone into default on a principal payment on debentures, while continuing to pay interest. The outlook for the immediate future is said to be uncertain, but in some quarters it is expected that a supervisory board for East York will be appointed shortly under authority of the Ontario Municipal Act.

East York borders Toronto, has a population of over 30,000, and had funded debt of $6,289,932 at Dec. 31, 1932.

At a recent meeting of representatives of bondholders and East York township officials a previous suggestion of agreement to refund the township's debt proved abortive, as there is no statutory provision which contemplates refunding.

York Township Anxious

The situation is understood to give cause for considerable anxiety as debentures are in default and no arrangement has been made to take care of this either by refunding or cash payment. York Township, Ont., is one of East York's largest creditors, holding $1,000,000 in East York debentures on which interest has not been paid. This is understood to be causing the York township council anxiety and it may be necessary for it to take action to collect, since private debenture holders have received interest, whereas York township has not.

The difficulty as far as York township is concerned is that to make its own payments it would perhaps be necessary to assess its taxpayers to make up the deficiency of revenue caused by failure of East York to pay on this large block of bonds. Rather than do this, York township may take action against East York.

Walkerville Relief Plea Fails May Refund Housing Bonds

Town of Walkerville was unsuccessful in its appeal to Ontario officials to have its entire relief costs borne by the province. The town will continue to pay 20 per cent of such expenditure from the province. As a result of the consequent need to budget 20 per cent of relief, it is thought in some quarters that the town may have difficulties meeting its full interest and principal payments on debenture debt.

Some large debenture holders of the town have agreed to recommend, with certain conditions, that the creditors accept the town's proposal to refund bonds of its housing commission. These bondholders will advocate acceptance of refunding debentures issuable under legislation passed by the province of Ontario last year, it is understood.

Toronto Refunding Proposal Expected to Be Dropped

Mayor Wm. J. Stewart, of Toronto, has requested the city's finance commissioner to investigate the possibility of refunding part of the city's debt to reduce the interest burden and taxes. Since city bonds are not callable, and the Ontario Municipal Act does not allow for such refunding, it is expected that nothing will come of the matter.

It was explained to The Financial Post that Mr. Stewart in no way suggests that the city cannot bear its present interest charges, but that he would like to reduce this cost as an aid to cutting the budget and taxes.

Investment Notes

Significant Investors' Index Numbers

1926 — 100

No. of Securities:	Iron and steel 19	Pulp and paper 8	Milling 5	Oils 4	Textiles and clothing 9	Food and allied products 19	Beverages 8	Total industrials 93	Total utilities 19	Total co's. 118
1929-32:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	201.4	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1933:										
January	49.5	3.3	41.1	93.6	36.8	82.9	34.0	59.6	44.6	50.8
February	44.4	3.6	39.7	86.5	33.6	80.2	31.6	56.3	38.6	46.6
March	44.8	2.3	37.8	86.7	32.2	78.6	36.0	57.3	38.2	46.6
April	48 6	2.7	44.3	98.1	31.2	85.3	37.8	67.5	38.5	52.0
May	65.5	3.8	60.9	122.4	45.7	105.1	63.2	85.8	47.2	64.7
June	83.0	6.4	70.3	141.6	55.2	118.2	106.4	103.6	53.8	76.1
July	98.1	8.4	79.1	156.6	60.0	139.1	164.3	118.3	58.5	85.0
August	91.2	7.6	76.4	147.6	59.1	126.8	152.1	113.3	53.9	80.3
September	84.8	7.3	73.0	150.4	61.6	121.0	159.4	115.1	50.7	80.2
Weekly Figures:										
Oct. 5	71.2	.9	61.8	130.6	47.5	103.6	145.2	96.5	42.0	69.2
Oct. 12	70.6	.8	61.8	126.6	46.9	103.2	148.2	95.2	41.4	68.4
Oct. 19	64.2	.7	60.4	114.4	45.2	97.3	131.0	86.8	39.3	63.3

*High and low of 1929 and 1932 are based on weekly figures. In 1933 index numbers are given monthly for the first nine months and then weekly. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Abitibi Buys Manitoba Pulpwood

IN REGARD to a report from Winnipeg stating that Abitibi Power and Paper Co. is to purchase 20,000 tons of pulpwood, the receiver and manager, G. T. Clarkson, states that although this pulpwood will be purchased, it does not mean that the Pine Falls mills will be reopened. In purchasing the wood in Manitoba, the provincial government suspended application of a two per cent tax upon the Pine Falls property.

Although the destination of the pulpwood purchased in Winnipeg is not stated, it is claimed that pulpwood at the rate of 20,000 tons of pulpwood a winter could be bought for two or three winters and still the company would have no more than a year's supply when it does begin operations again at full capacity. Pine Falls mill is one of its lower cost mills.

Asked whether the company's Murray Bay property had been sold, Mr. Clarkson declined to make any comment.

St. Lawrence Waterway Prophecies

CANADIAN investors interested in Canadian Dredge, Canada Cement and stocks of other companies which might get more business if the St. Lawrence Waterway were started, are now paying a good deal of attention to every public utterance that bears on projected public works programmes of the United States in the hope that something may be said about the St. Lawrence Waterway. Delos M. Cosgrove, vice-chairman of the Power Authority of the State of New York, recently stated publicly that he expected early ratification of the Great Lakes and St. Lawrence deep waterway treaty between the United States and Canada. He stated that this project would increase New York State's ocean coast line 12-fold and that therefore, except for a few interested corporations, New York State desired quick action. It hoped to get the level of its power down from 6c. per kilowatt hour to near the Montreal level, between 3 and 4 cents a kilowatt hour, he said.

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Ford Exports Step Up

WALLACE R. CAMPBELL, president of Ford Motor Co. of Canada, reports that exports of his company to overseas territories will be 80 per cent greater in 1933 than in 1932, as a result of improved economic conditions in the Dominion and of the more favorable exchange relations between the dollar and the British pound.

Overseas shipments of Ford cars to these territories for the first nine months of 1933 exceed the entire 12 months of 1932. The upturn in exports began in April with the introduction of the new V-8 car overseas. The last quarter shows the heaviest shipments from the East Windsor plant. The improvement has been most marked in Australia, India and South Africa. Deliveries in the second half of the year in South Africa are averaging more than 300 per cent over those in the first half. There is also an increased volume in New Zealand and the Malaya company's territory.

Australia is the largest importer at present because of the increased price of wool and of other basic commodities. The Australian pound has also had a favorable relation to the British pound.

In India the improvement has been marked and increases are expected with the passing of the monsoon season. The English demand for V-8 cars is also reported to be improving.

Automobile statistics for the first nine months of 1933 as received from the Dominion Bureau of Statistics show total sales up to December 30 of open and closed passenger cars, passenger chassis and commercial cars and trucks of 56,689 units as compared with 53,550 units in 1932. The report month by month showed declines in production for sale in Canada up to August but for exports most months showed an increase in all cars. In fact, there were almost twice as many for export as last year. Ford is a large element in this situation.

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Peoria Welcome's Walker's

ALTHOUGH United States Industrial Alcohol, Allied Mills and Commercial Solvents Corp. interested in reviving enterprises in Peoria, Ill., nevertheless the most interest has been created, according to "Fortune," by the fact that Canada's biggest distiller, Hiram Walker-Gooderham & Worts, started work to build the largest distillery in the world on September 2, 1933, on the site of the famous Great Western Distillery, which was scrapped ten years ago, but which at one time paid $22,500,000 in taxes to the United States Government yearly.

In 1919, before prohibition, Canadian Club was the leading imported whisky in the United States and Peoria people think that Hiram Walker will be a bigger success in the United States in the future by reason of avoiding the tariff and making its own whisky in Peoria. The new distillery, representing an initial outlay of $3,000,000, capable of making 100,000 gallons of whisky a day—ten times as much as Canada drinks at present and more than one-quarter of what United States drank in 1916—will be going early in 1934.

"Peoria could discount half of Walker's publicity and still get excited," says Fortune.

Peoria was once the centre of the distilling industry in the United States. Prohibition hit it a very hard blow and the great depression another. The end of prohibition is meaning much to Peoria because its biggest business is starting up again. It owes its prominence in the whisky business to the fact that it gets the best limestone water just about 60 feet underground and at a temperature of about 51 degrees winter and summer. It is centred in the corn belt and in the big coal region. It has 15 railroads and stands on the Lakes-to-the-Gulf waterway.

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Oil Holds Interest

IMPERIAL OIL, International Petroleum and British American Oil common stocks still keep the forefront of interest on the Toronto Curb. This is mainly because of the past records of the companies and the confidence of investors that reviving business would be good for all of them. It takes no account of the combined investigation threatened from Ottawa and at present in progress nor of the possible dumping from the United States if the Oil Code leaves that part of the trade free from regulation. It is pointed out by local companies that returning profits in the United States might permit sale in Canada, without profit, of surplus gasoline. This situation for a time may prevent world prices reflecting the United States internal situation.

British American Oil common attracts special interest on account of its recent purchase of the plant of the Sterling Oil Co. at Moose Jaw. This plan has a capacity of from 400 to 700 barrels of crude oil daily. British American Oil also secured 30 acres of land adjacent to the plant and it is expected that the ultimate objective is a capacity of 3,000 barrels daily.

The significance of the latest purchase is that British American Oil indicates its intention to solidify its western business. The company has always followed the policy of developing business in an area and then constructing a refinery capable of being expanded so that in each district it will be a complete oil company. Before building the Montreal refinery it had an established business in Quebec and Eastern Ontario which more than justified the outlay.

Uncertainties of exchange and of oil prices in the United States have somewhat curbed net revenues of oil companies in the last few months. All three companies mentioned are well prepared to stand occasional adverse periods.

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Canadian Securities Favored

BRITISH investors in Canadian securities share some of the preferences of Canadian investors but also favor some securities that Canadians are little interested in as a rule.

Like the Canadian, the Englishman is interested in the Shawinigan Water and Power on account of the fact that the demand for primary and secondary power of the company recently reached the highest point in the company's history and that the objective at the Rapide Blanc project of a capacity of 80,000 horsepower by next May and 160,000 horsepower by October is expected to be of benefit to shareholders.

Britishers are interested in Dominion Steel and Coal securities because of old commitments in prewar and war times. Their chief hope for these securities is in improvement of world conditions.

A prime favorite is still British Columbia Power Corporation, and the general opinion of British investors in B.C. Power seems to be that the company stood up very well in a year which was a severe testing time for the company. The fact that it maintained $2 a share of the A stock through the depression causes gratification, especially when coupled with the fact that, though gross revenue dropped $1,531,286, the net profit was only down $483,573. The working capital position is regarded in England as being comfortable.

Among British leaders, which get high attention in Canada as well, are International Nickel, Ogilvie Flour Mills, C.P.R. and Brazilian Traction.

Among more speculative shares, Power Corp. of Canada, Cockshutt Plow and Canadian Western Lumber are often canvassed on the sound general investment rule that when any class of security has been out of favor for a considerable time it becomes worthy of examination for buying opportunity.

Montreal Power is regarded as a good steady stock to buy for capital appreciation in view of the steady expansion of the company's operations.

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Coupons For Ice Cream

HOUSEHOLDERS in Toronto are reporting the delivery of coupons at the door, which are worth 10 cents on a brick of ice cream if purchased at certain named stores in the neighborhood. One householder reporting to The Financial Post stated that at his house his wife had received coupons from Acme Farmers Dairy, from Neilson's and from City Dairy. This is just another device to stimulate sales of ice cream in the cold weather.

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Easy Washing Machine Co.

EASY WASHING MACHINE CO. is reported to be "breaking even" on operations so far in the current year which would indicate that the earnings statement for 1933 may show some improvement as compared with that for 1932 when the company had a loss of $134 855, after providing reserve of $58,788 for loss on repossessions and bad debts. Since the company is now doing an exclusively wholesale business, losses on repossessions should eventually be a thing of the past.

With a deficit in surplus account of $357,893 at the end of 1932 reorganization of capital structure with a view to wiping out this deficit is a distinct possibility and it is stated that preferred shareholders will dictate the terms of such reorganization. There are outstanding 3,975 shares of $100 par value 7 per cent preferred stock on which dividends are cumulative and in arrears since July 1, 1930, and 38,535 shares of no par common stock. Common is listed on the Toronto Stock Exchange and sold up to $4 per share in July. Except for July and August there has been no activity in this stock during the current year.

SCHOOL TRUSTEES ASK B. C. TO PAY

Say Province Should Bear Ordinary Cost of Education

From Our Own Correspondent

VANCOUVER.—British Columbia school trustees recently went before the special commission on municipal taxation here and argued that ordinary costs of education in this province should be paid by the provincial government from its consolidated revenue fund, with municipalities providing funds for school buildings and other "extraordinary expenditures."

The trustees referred to proposals that municipal authorities be given the power to collect an income tax for education and stated that, as the province now has machinery for collecting such a tax, it should continue to do so.

Cost of education should not be borne by land-owners to the extent that it is, the trustees maintained, but it should rather be a charge against the province's income from all sources.

"Education should be paid for, not by individuals who happen to own land rather than shares or bonds," said the trustees' brief, "but by all the taxpayers as a whole according to their real ability to pay as measured by their total income as a body politic."

The trustees observed that, while provincial grants to municipalities had decreased, the province had changed the curriculum to lengthen the high school course and add a year to the elementary course.

Bond Tenders

Noon, Oct. 28, Montreal South—$50,000, 6 per cent serial bonds, payable at Montreal, for a period not exceeding ten years from Nov. 1, 1933. W. G. Johnson, sec.-treas.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brewing	§5%	1942	Nov. 1	105
Northern Electric	*5%	1930	Dec. 1	105
Dom. Canners	†6%	1940	Nov. 1	...
Davies, Wm.	°6%	1942	Nov. 1	...

§Purchase of bonds for sinking fund $10.900.
*$190,000 redemption for sinking fund.
†Purchase of bonds for sinking fund.
°$150,000 for sinking fund.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Hull, P.Q.	Oct. 16	Banque Provinciale	5½%	Serial	$115,500	98.30	5.87%
United Counties of Stormont, Dundas and Glengarry	Sept.	Harris, MacKeen & Co.	5%	10 instal.	50,000	100.63	4⅞%
Paris, Ont.	Sept.	Gairdner & Co.	5%	20 instal.	55,000	99.62	5.04%

A Safe Investment

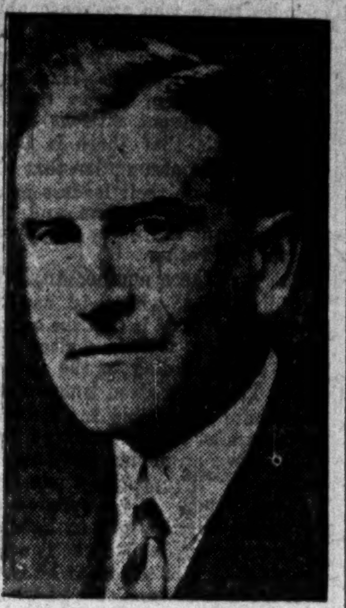
5% Debentures issued for $100 and over 1 to 5 years

The Huron & Erie MORTGAGE CORPORATION

Chartered 1864

Canadians have $27,000,000 invested in these debentures

Admit New Partner



M. F. WARDHAUGH

Resident manager for Nesbitt, Thomson & Co. in Vancouver, having charge of the Pacific Coast territory, who has been made a member of the firm.

BRANDRAM PAINTS TO PRESENT PLAN ON GENERAL BONDS

Proposal for Consolidated Bonds Calls for Income Basis

From Our Own Correspondent

MONTREAL. — Brandram-Henderson Ltd., one of the principal Canadian manufacturers of paint products, will make known this week to the consolidated mortgage bondholders a scheme under which they will be asked to place interest payments on their bonds on an income rather than a fixed basis. Other concessions will be asked, but the lifting of the fixed charge is the principal request.

Interest payment due on the consolidated mortgage bonds on March 15 last was not met by the company. The usual period of grace elapsed but the company was unable to meet its obligations.

Publication of the financial statement for the 18 months ended June, 1933, revealed the fact that the company had again experienced a bad year, with a net operating loss of $334,288 without provision for depreciation of fixed assets. In addition the company has borrowed $288,000 from the banks and had failed to make proper provisions for the sinking fund payments on either the first or consolidated mortgage bonds.

Prior to the annual meeting a short time ago it was learned that the consolidated mortgage bondholders would have presented to them a plan whereby interest payments would be deferred for a short period, in order to enable the new management to make a comprehensive survey of the situation and, at the same time, to improve the working capital position.

As far as can be learned at this time the first mortgage bondholders' position will remain unchanged. Steps will be taken, however, to make good the default on sinking fund payments

When RESERVES are NEEDED!

MANY a battle, both in ancient and modern days, has been won because one of the contending armies was able to call upon reserves at the right moment. In the battles of life—and who can avoid them?—financial reserves will oftentimes carry you through to happiness and success. Start today—even with a dollar bill—to build a savings account with any Branch of the Province of Ontario Savings Office.

PROVINCE OF ONTARIO SAVINGS OFFICE
EVERY DEPOSIT GUARANTEED BY ONTARIO GOVERNMENT
HEAD OFFICE PARLIAMENT BUILDINGS

Seventeen Branches in Ontario

Two Saskatchewan Towns Seek Debt Adjustment

Town of Watrous, Sask., has applied to provincial authorities for an investigation of its finances, and, if necessary, control of its affairs. The town of Melville, Sask., is also applying for an investigation toward readjustment of its debt.

Enquiries will probably be conducted in both cases, The Financial Post is informed.

Bondholders Protective Committee

Inter City Western Bakeries Limited

First Mortgage Sinking Fund Gold Bonds 6½% Series "A", due May 1st, 1950

Bonds of the above Company will still be received for deposit under the terms of the Deposit Agreement dated July 26th, 1933. All Bondholders who have not already deposited their bonds are urged to do so in order that the Committee formed for the protection of the interests of Bondholders may have their united support.

Bonds may be deposited with the Montreal Trust Company at Montreal, P.Q., Quebec, P.Q., Toronto, Ont., Vancouver, B.C., Winnipeg, Man., and Halifax, N.S. or at the principal office of the Royal Bank of Canada in Ottawa, Ont., Quebec, P.Q. and Saint John, N.B.

235 St James Street West, Montreal, P.Q.
J. A. Weldon, Secretary

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IRVIN COBB once remarked on the utter absence of privacy in the life of a goldfish. There it goes, swimming around in its bowl, completely visible to all.

If you seek privacy for your product, never wrap it in "Cellophane," for "Cellophane" is to a product what the bowl is to a goldfish. It gives your product 100% visibility—adds a brilliant lustre to its appearance — displays it so favorably that impulse buying is the inevitable result. In addition, "Cellophane" definitely protects quality and freshness, and thus ensures customer satisfaction and goodwill. The use of this sparkling, transparent wrapper has been responsible, as manufacturers in hundreds of businesses attest, for sales increases ranging from 50% to 400%.

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TORONTO, OCTOBER 28, 1933

WHO SHOULD START CONSTRUCTION?

THAT a resumption of building operations in Canada would do a great deal, possibly more than any other single factor to improve the employment situation cannot be doubted. At the present time, employment in building construction is little more than a third of the average for the five years 1925 to 1929. Greater activity in this field would be very stimulating for almost every other manufacturing industry in the Dominion.

It is little wonder then that leaders in the construction industry and many of our economists urge that the State initiate a programme of large-scale construction. It is undeniable that work exists to be done in Canada. We may not need any new railways and in some of our larger cities there may be no need for new office space. But the cessation of construction activity during the last few years has done much to offset our former overbuilt condition and to create many needs for new buildings and improvement of one kind and another.

The argument then isn't whether or not there is construction to be done, if the capital were available and offering. The issue is whether the state should inaugurate the programmes of public works activities of the Dominion, the provinces and the municipalities or if the efforts of these governments should be bent toward the creation of the conditions that would make private investment of capital in new enterprises more attractive. The financial position of nearly all governments in Canada makes state programmes of public works activities hazardous to Canadian credit at the present time. It is then to private capital, both Canadian capital and outside capital, that we must look for the initiative. The theories of the Keynes economists, favoring State action, cannot be given practical application in Canada at the present time.

Radical reduction in government expenditure, which would reduce taxation, further lowering of interest rates all around in the country, willingness on the part of labor to submit to further reductions in hourly scales of wages in order to get things started again—these things, combined with any better feeling that might result from an upturn in general trade, would quickly get construction under way in this country.

The relation of direct relief to public works is a vital feature of the problem. A reader of The Financial Post in the Maritime Provinces asks why the taxpayers should not receive some tangible return for the enormous sums being spent to maintain some 800,000 unemployed workers and their families by direct relief. He urges a programme of intelligently directed public works under the control of a public works expenditure board.

He states that in a town in the English Midlands recently, the unemployed, of their own volition, under a young leader of genius, converted an unsightly, useless slagheap into a swimming pool for the benefit of the town. This work, he remarked, gave these unemployed men the salutary sense of having some function as useful members of society.

Canada tried to relieve the unemployment problem by spending public money on new buildings, roads, etc., but the supply of capital ran out before any substantial contribution to the solution of the unemployment problem had been made. It was found to be beyond the resources of the country to provide work for all.

Great Britain had a similar experience as the Rt. Hon. Walter Runciman made clear at the World Economic Conference.

That a certain amount of work should be demanded in return for all relief payments is a thoroughly fair proposition. This rests upon an entirely different economic principle than the proposal to embark upon a large scale programme of public works to end unemployment. But there are many weaknesses in relief administration in Canada some due to politics and some due to our sheer inexperience with the job of handling $6,000,000 a month of public relief funds. Joseph M. Pigott, of Hamilton, president of the National Construction Council of Canada, recently pointed out that the qualifications for direct relief in Hamilton and other cities have fallen down and that people now unemployed are able to get not only food and clothing, but rent, fuel, funds to pay their taxes and "there is a very clear indication that interest on mortgages is about to follow."

Even where money is appropriated for public works, political considerations often hamper the efficient use of the funds. For instance, in Toronto the city council in outlining a programme of improvements last week, again insisted that a minimum wage of 60 cents per hour be paid for day labor. As there are scores of able-bodied men who would be glad of an opportunity to work for a figure well below that the public funds available for improvement are being allowed to carry less of the burden of unemployment than they should really carry.

THE HUDSON BAY ROUTE AND THE EAST

A NUMBER of Western newspapers are trying to make it appear that The Financial Post opposes the expenditure of public money on the Hudson Bay route because this journal fears that it will divert traffic from the eastern route via the Great Lakes and the St. Lawrence River. One group of newspapers in the West, which publishes standardized editorials, says "The Financial Post does not object to millions being spent to benefit the eastern shipping route, but it yells blue murder because a mere fraction of the sums so expended is now spent on a purely western route."

Let us hope the proponents of the Hudson Bay Railway have better arguments to back their demands for public money than sheer misrepresentation of this character.

As a national paper which circulates in every nook and cranny of Canada, The Financial Post has no more interest in the development of one section of Canada than in the development of any other. At the same time The Post does endeavor to promote decentralization of industrial, financial and general economic activity and for that reason it is if anything more sympathetic in its approach to national projects in the newer areas than in the older areas.

In the second place, The Financial Post has vigorously protested against wasteful expenditures of money in connection with many of the canals, harbor developments, etc., along the eastern water route. And The Financial Post has consistently opposed the proposals for an early development of the St. Lawrence waterway on the grounds that the country cannot safely assume the resultant debt burden within the near future and that the economic case for the St. Lawrence Railway has not yet been established.

The truth of the matter is that the opening up of the Hudson Bay route has not attracted any measurable volume of traffic on a purely economic basis. A certain amount of grain has gone out in each of the past two years because of the remission of a major portion of the fees that the Government should be collecting for that traffic. The Hudson Bay Railway was a plain ordinary contractors' racket from the beginning. It should have been opposed by all good citizens, wherever resident. One of the basic causes of our financial troubles in Canada is that residents of certain areas have boosted enthusiastically for unsound projects in the mistaken idea that they will get the benefit of the expenditure while the major portion of the cost will be paid by the taxpayers' resident outside of their areas. There might be some merit in this proposal from the standpoint of the citizens of one section if all the public's money were spent in their area and none in any other area. But the people of Western Canada who thought they got the Hudson Bay Railway at the expense of the East have had to pay heavily in taxes to provide unnecessary enterprises for the Maritimes. The people of the Maritimes, in turn, have had to pay heavily in taxes to support unproductive enterprises in Ontario and so on in an endless and vicious spiral of public robbery. Through the Dominion Government and the Canadian National Railways the people of Canada bear the crushing burden of $4,500,000,000 cf debt, a very high proportion of which has been spent on enterprises that do not pay their way and that were never economically justified. But in each case the local people probably thought they were getting something for nothing. Surely we can learn some lesson from this sorry record.

WHY SOME PEOPLE DO NOT VOTE

THAT only a small percentage of the people who are entitled to vote ever take the trouble to cast their ballots in any election is a commonplace on this continent. The Mayor of Ottawa remarked the other day that it is almost incredible that, in the operation of a civic business at a cost of $6,000,000 a year, not more than 55 per cent of the qualified voters bother to turn out at the municipal election. In his opinion, public indifference to public issues is one of the main obstacles to progress and our most important civic problem.

The suggestion is often made that the casting of a ballot should be made compulsory for all able-bodied citizens and in fact some sort of legislation to this effect is in force in Australia. In its comments on Mayor Allen's statements, the Ottawa Journal assumes that the 55 per cent who vote are the men and women in the community best informed on the civic issues and most interested in the result, and that the remaining 45 per cent includes those who are reasonably content with things as they are, who have no strong views as between candidates, the lazy and indifferent and of course the ill, infirm and absent citizens. The Journal feels that there is little ground for the assumption that 100 men will choose their leaders more wisely than 55 of them and for that reason it has no approval for compulsory voting.

But isn't there another angle to the discussion which is usually overlooked? That is that the actual practice of a franchise does not work out according to the theory of it. There are often times when it is quite impossible for a voter to express as much as a single one of his views on public questions by putting an "X" opposite a name on a ballot paper. In a Dominion or provincial election, he may have to support a party leader who is completely offensive to him if he is to vote for a local candidate of whom he approves. In the municipal election he may find the issues so confused that no candidate comes within a bow shot of the ideal that he would desire.

When some great national issue does inflame the populace or when some important civic issues dominates a municipal election campaign and when, in either case, the candidates occupy well-defined positions on one side or another, the percentage of voting is always high. But when the issues are confused, or when the candidates themselves or the parties they represent, attempt in their pre-election promises to be all things to all men then it is simple for the good citizen not to vote at all.

THE GOOD OLD DAYS

A CONSCIENTIOUS and thrifty Canadian manager of a large concern operating in this country has drawn our attention to what he considers the wasteful practices of one important government bureau in respect of the notepaper it uses even for the most routine matters.

Being statistically minded, this informant has uncovered the fact that the watermarked "parchment" which he receives regularly from this department must cost in the neighborhood of 38½ cents a pound whereas without sacrificing either dignity or quality a very good type of paper could be obtained for 26 cents a pound. He also observes with concern that all letters from this department whether for routine matters or not, bear the embossed coat of arms of the government which he estimates must cost at least $7 per thousand irrespective of the cost of the stamp itself. He believes for the bulk of this correspondence this coat of arms could very well be printed at great saving of taxpayers' money.

Another point made by our observant business friend is the very substantial "free list" which apparently still obtains for the bulk of periodicals published by the King's Printer. He cites many instances of publications for which the recorded price ranges from $1 to $2 but which are sent to him gratis by a benevolent democracy. He tells us that in United Kingdom and other British Dominions of which he has personal knowledge, there is no free list whatever.

Just how far governments have travelled along this road of expensive "trappings" is vividly portrayed by a story which came to light last week at the re-opening of Massey Music Hall at Toronto. In the new foyer there hangs a clock which formerly graced the dining room in the famous old Queen's Hotel on Front Street. According to the historic lore of early Toronto this clock was loaned regularly to the parliament of Sir Oliver Mowat when it met in the old Parliament Building on Front Street. This grand old man was too thrifty to purchase one for the House.

Those were indeed the "good old days" for Canadian taxpayers.

EDITORIAL NOTES

* * *

Aren't those firms that imported the Russian and German anthracite the same ones that asked people to buy Welsh coal because it was British?

* * *

A New York mayoralty candidate pledges himself that no one in New York will go hungry. Isn't he overlooking those who are dieting to reduce?

* * *

When the chairman of the world's largest bank joined a speculative pool in his bank's stock he made a great deal of money for himself. But now that the facts are coming out he must ponder on the wisdom of the statement that a good name is to be preferred to great riches.

* * *

All countries close doors to indigent immigrants. Now various cities in Canada have forbidden unemployed workers to move into their boundaries. The next step will be for Ward Eight to refuse to permit unemployed citizens from Ward Nine to move in.

* * *

The New York Times wonders how the president can write and sign 200 letters a day in addition to the many written by his secretaries. The answer probably is that his press agent has been exaggerating a bit.

* * *

The American press is much concerned about its freedom under the N. R. A. But we have noticed that some of the newspapers most insistent on the freedom of the press are the chief sponsors of plans to put someone else or something else under government dictatorship.

* * *

For a million dollars a year, a corporation ought to be able to hire a genius. But some of the banks, whose affairs are under investigation at Washington, apparently paid enormous sums to get the services of very ordinary folk.

POST-scripts

WHEN the reform bill gave the vote to the masses of Britain one public man remarked: "Our next task is to educate our masters."

Something of the kind might usefully be attempted in Canada. The general misconceptions of government are incredible. For example, early this week when the success of the National loan was a matter of news headlines, the finance department began to receive scads of letters from needy citizens who thought this an unexampled opportunity to make a "touch."

These citizens wrote to tell of their misfortunes and to request Mr. Rhodes either to give or to lend them a few hundred dollars with which to get by until good times return. Some of the stories, it is said, would wring blood out of a stone. But the would-be borrowers have been informed that governments spend money under votes passed by parliament and while parliament has power to give or lend money, the officials could scarcely advise anyone to count upon success in such a venture.

THIS story is going the rounds at Ottawa:

A week or two ago two illustrated posters came to the office of the Livestock Commissioner, an important official in the Federal Department of Agriculture.

One of them carried a photograph of a large sow, with some such legend as this: "A typical thoroughbred from the Western Plains." the other showed a herd of horses and carried an explanatory note to this effect: "The kind of horseflesh that has made the prairies famous."

The sow and horses were the most horrible examples of what such animals should not be. The sow was a hopeless mongrel and the horses would have discredited a rag, bone and bottle pedlar.

If for no reason other than that the Federal Department in the past three years has placed great emphasis upon quality breeding, the posters angered the Livestock Commissioner. There was, too, a grim humor in the thought that such things could happen.

The Livestock Commissioner took both posters, pinned on a note reading: "This looks like the work of Mister Eddie Cantor," and forwarded them to Hon. Robert Weir, Minister of Agriculture.

On a cold, wet, autumn morning Mr. Weir found them on his desk. It was a bad start for the day. He punched his buzzer and thundered at his secretary: "Send Mister Eddie Cantor (bitter emphasis on the name) to this office at once."

"Yes, sir," replied the secretary. But his most diligent enquiries failed to reveal anyone of that name on the payroll. He returned to Mr. Weir, was referred to the Livestock Commissioner and, finally, the problem was solved. The Livestock Commissioner explained who Mister Cantor is.

A parliamentary scribe, of Liberal persuasion, thought this story too good to keep. He called on Hon. W. R. Motherwell, who preceded Mr. Weir as the minister of agriculture, and yelped: "Listen to this." He launched into the story. Mr. Motherwell's eyes glistened. He cupped one hand behind his ear, the better to hear. When the scribe reached the point where Mr. Weir summoned "Mister Eddie Cantor," Mr. Motherwell rose to his feet, banged the desk with clenched fist.

"And well he might," roared the former minister. "What's more, Mister Eddie Cantor (emphasis on the name) is his own man. I never hired him. He gives him the job and there's your answer."

The scribe, presumably, jumped into the Rideau canal.

Mister Eddie Cantor might now jump off some Hollywood bridge.

Sayings of the Week

"The next war will be a war in the air."—*Colonel W. A. Bishop, V.C.*

* * *

"There is no kindness in flattering a wrong cause."—*President Roosevelt.*

* * *

"We need to discover the secret of eternal prosperity."—*Guglielmo Ferrero.*

* * *

"Parliamentary Government has become a dreary farce."—*George Bernard Shaw.*

* * *

"In all countries except Russia, the mainspring of employment is profit."—*Sir Josiah Stamp.*

* * *

"The problem of leisure is becoming as important as the problem of work and distribution."—*Dean Inge.*

* * *

"The road back to recovery is now being travelled by the great nations of the world."—*Rt. Hon. R. B. Bennett.*

* * *

"I have never disguised my own view that another war in Europe would end the civilization we know."—*Rt. Hon. Stanley Baldwin.*

* * *

"Dependence on tips gives workers a great sense of insecurity."—*William Green, president of the American Federation of Labor.*

* * *

"President Roosevelt is the greatest autocrat in the world."—*Rt. Hon. Walter Runciman, president of the British Board of Trade.*

* * *

"Every scheme of government for social action must be financed from the income or savings of individuals."—*Col. Henry Breckenbridge.*

* * *

"No business can succeed if so run that the interests of employer and employee are not one and the same."—*Sir Henri Deterding.*

* * *

"We may add at least ten years to our lives by personal care if we begin early enough."—*Dr. Chas. M. Mayo, of the Mayo, Rochester, Minn.*

* * *

"Don't you believe that the English can't make motion pictures."—*Richard Watts, Jr.. motion picture critic of the New York Herald-Tribune.*

* * *

"Lord Kitchener was like one of those revolving lighthouses which radiate moments of gleams of revealing light far out into the surrounding gloom and then suddenly relapse into complete darkness."—*Rt. Hon. David Lloyd George.*

* * *

"John Maynard Keynes is an entertaining economist whose bright but shallow dissertations on finance and political economy, when not taken seriously, always provide a source of innocent merriment to his readers."—*Rt. Hon. David Lloyd George.*

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

Roosevelt's Swing to the Right

By M. M. WILNER

WASHINGTON.—The elections which will be held in the United States on November 7 are almost exclusively for such minor officials as administer cities and counties and make up, in some cases, State legislatures. A few seats in the United States Senate and House of Representatives which have been left vacant by deaths or resignations will be filled, but these are not sufficient to effect any change in the present complexion of Congress. Officially this election will not afford any test of public opinion to guide the Government at Washington. It will give no admissible indication whether the great voting tide which swept the Democratic party into power last year still is rising or is receding.

All that is true, however, only in the official sense. As a matter of fact the great mass of citizens vote for local no less than for national candidates on established party lines. For the most part, mayors, county supervisors and members of state legislatures gain their offices because they are Republicans or Democrats rather than for any personal attributes known to many voters. Perhaps this should not be the case, and it always can be denied by any interpreter who does not wish to recognize the popular verdict. Nevertheless, the fact is recognized subconsciously, at least, even by those who discredit it in speech.

* * *

THE importance of this election as an influence on the future course of the National Government lies in the marked drift to the left which was exhibited in the opening policies of the administration and the extraordinary mass of laws enacted by Congress. Whether these acts are held to be right or wrong, there can be no dispute that they did constitute such a pronounced expression of left-wing thought as to bring widespread and outspoken claims that revolution already had been accomplished. Moreover, every one knows that this surprising programme reflected the belief of those in power that the left movement of public opinion not only would hold the ground reached in the election of 1932, but would advance farther in the same direction. Nobody in either executive or legislative circles in the United States commits himself to measures of government without the expectation that public opinion will approve them.

Hence, the indications that the administration itself is drawing away from the influences which last spring were rushing it toward the left become not merely significant of its anticipations for November but prophetic of further recessions toward the conservative school as the reassembling of Congress begins to lay the political foundations for a more important election in 1934.

* * *

PROBABLY the most impressive test of public opinion that is being drawn out anywhere in the country is in the election for mayor of New York. The attempted local protest against the scandals and mis-government exposed by the Seabury investigation was diverted into a rally of so-called "liberalism" by the selection as the Fusion candidate against Tammany of F. H. LaGuardia, who has served in Congress indifferently as a Socialist and a Republican and generally has acted with the left-wing element in legislation. This was followed by the entrance of Joseph V. McKee into the field as an independent, and the struggle between LaGuardia and McKee has attained such proportions as to relegate Tammany to the third-party class in the amount of attention received. Some explanation of the real source of the bitterness aroused by McKee's appearance began to appear when it was found that away back in 1915, when a humble schoolteacher, he had published an article in which he warned against the growing menace of Socialism.

So it came out that the hope of drawing into the Socialistic drift the tremendous uprising of opinion against the conduct of Tammany Hall had been thwarted by the independent candidacy of a strong opponent of Socialism. The speeches began to display bad temper. McKee was pictured to the street crowds as an anti-Judaist, though his protest was, in fact, against the atheistic influences which were drawing young Jews away from "the orthodox Judaism of their fathers."

What has made this incident important in Washington is that McKee's entrance into the campaign was brought about by Postmaster General Farley and has been interpreted on all sides as representing the wishes of President Roosevelt. McKee calls his organization the Recovery party and appeals particularly to voters who wish, first of all, to support the N. R. A. campaign.

* * *

WHILE it is probable that neither Mr. Farley nor Mr. Roosevelt knew at the outset what McKee had written on Socialism, they certainly knew the position of LaGuardia. Their unwillingness to leave him the field under conditions which would have stimulated greatly left-wing influence in national affairs, therefore, reinforces the evidence afforded by the displacement of Moley and Bullitt in the State Department, the resistance to the inflation movement, the warning of Gen. Johnson that N. R. A. system is not to be exclusive labor-union government and some lesser events.

Prophecy as to what will happen is venturesome, but it can be said safely that the Roosevelt administration always will try to go with what it believes to be the popular tide. Consequently such reflections as the coming election mirrors of the actual course and volume of the current may be accepted as of real value in calculating on the plans of the United States government.

Criticism of Ottawa

IN LLOYD'S Bank monthly review for October, there is an article by H. V. Hodson, a young British economist on the staff of the Round Table, which sums up most of the disappointments and criticism aroused by the Ottawa conference treaties. Mr. Hodson publishes figures to prove that as a result of the treaties Great Britain has imported more from Canada and the colonial Empire and exported more to Australia, South Africa and the non-self governing colonies. The figures show that Britain's trade with the rest of the British Commonwealth has suffered less recession than her foreign trade but he is inclined to conclude that while the Ottawa agreements have not directly injured Imperial trade they have accelerated the decline of Britain's foreign trade. The liberation of Empire trade was achieved at the expense of new or higher barriers to outside trade.

Mr. Hodson believes that Canada, under Mr. Bennett, did not grant the concessions that might have been granted by this country had the Liberal party under Mr. Mackenzie King been in power.

* * *

SINCE Great Britain has a uniformly unfavorable interest in the policy of economic nationalism but since economic nationalism is the order of the day, the Empire should attempt to establish some guiding principle for its Imperial trade policies. Although material self-sufficiency does render the isolation of the Empire conceivable, Mr. Hodson asks us to beware lest we pursue a delusive Imperial autarchy without first diminishing economic nationalism within the borders of the Empire. He does not urge "the fatuous fancy of Empire free trade" nor does he think that Empire trade policies need to be "based on the conception of economic groups comprising industrial countries on the one hand and primary producing countries on the other." But he does feel that what must be insisted upon is first the abolition within the Empire of extreme protectionism and of all abnormal or arbitrary surcharges; and second the agreement for industrial specialization within the Commonwealth so that the articles upon which it was agreed that Britain should specialize should pass practically free of duty into any Dominion. At the same time, there must be freedom from restriction on the trade in the articles, mostly primary commodities, on which the Dominions themselves specialize.

* * *

Freedom of Expression

FREEDOM of all to express opinions and present views on almost all topics of public interest, as long as sedition is avoided, has long been boasted by British subjects at least in times of peace. A report from London that a newsreel of David Lloyd George and a Daily Mail interview with Hitlerite Dr. P. J. Goebbels, both concerning Germany's claims for arms equality, have been suppressed comes as a shock to liberal-minded Britishers.

Apparently Mr. Lloyd George contended in the film address that other than German signatories of the Versailles treaty had broken faith with Germany by not disarming. Of course this does not conform with the British Government's present foreign policy. Nevertheless The Financial Post has heard a British foreign office official admit that his country's contribution toward disarmament has not been ideal, and, in fact, deprecate certain British armament contentions. So, although Mr. Lloyd George may be somewhat more radical, he has some authoritative support.

As for the Dr. Goebbels interview, there may have been justification for suppression, if the Nazi claims presented were incorrect or malicious. At least in the interests of international goodwill and preservation of the peace the offensive parts could perhaps have been expurged. It is questionable, however, whether the British propagandists have strengthened their case by suppression of the newsreel and the interview completely. The inference is left that there may be something in the suppressed material which will not bear inspection.

Other People's Views

Stopping to Think

New York Times—"The time has come for us to act, not to argue. When a man's house is on fire he cannot adopt a conservative attitude about it. He cannot stop to take time to balance the niceties and equities of the matter."—Senator Capper.

No, but he can afford to stop long enough to make sure that what he is throwing on the fire is water and not gasoline.

The Facts Wanted

Regina Leader-Post—Has the Canadian Pacific Railway been provided with national funds?

If so, at what rate of interest, on what terms and on what justification?

Is the Government going into the business of lending public money to private corporations that require financial aid?

The Government at Ottawa should make a thorough settlement to the Canadian people of the reported loan of $60,000,000 to the Canadian Pacific Railway. The facts should be brought out into the open at once.

Canadian Electric Plants

Nation's Business, Washington — Canada has been held up to us as an example of how successful government owned power and light plants may be. Senator Norris has filled pages of the Congressional Record with figures and assertions about the Ontario hydro-electric system and the cheapness of its product.

Some figures from a Canadian government report for 1931 are of interest. They were in the Dominion 559 plants of which 396 are commercial and 163 municipal plants. The latter generated about four billion kilowatt hours and the former about 12. Roughly there were two and a half times as many commercial plants and they produced two and a half times as much electricity. But the revenue of the commercial plants was $72,000,000 as compared with $50,000,000 for municipal plants. Expenses for commercial plants were $32,500,000 as against $43,000,000 for municipal plants, a most

The municipal plants may be effective as a means of checking unemployment, but their efficiency seems open to doubt.

"Stop Me If You Have Heard This One"

"The last speaker," said the chairman of the health congress, "is a striking example of the efficacy of the doctrines he so eloquently advocates. Hale and hearty at eighty years of age, he could tire out many a man younger than himself."

A Voice from the Audience — "He did."

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The Week in Business

Prairie Business Lags

FIGURES from every avenue of trade and commerce came tumbling out of Ottawa last week. They confirmed the trend forecast last week by The Financial Post index of business, that the improvement of business which commenced in April of this year, continued in a more modified form. The significant fact revealed since then is that regional indices show the Prairie Provinces alone of the five economic areas did not share in the continued improvement. The greatest gain as indicated by Sydney B. Smith's article on this page was in the Maritimes although British Columbia and Ontario did little more than hold their own. Quebec lagged very slightly behind the Maritimes in reporting continued improvement for the month.

* * *

Auto Exports Soar

THE most interesting and perhaps the most significant indices of the week are those relating to our export trade. Foremost among these are figures of automobile exports which seem to be having a little boom all their own. Thus in September while domestic production took a seasonal nose-dive of more than usual proportions, export business took a leap of almost 80 per cent as compared with August production totals. For export this year, Canadian automobile plants have turned out almost 16,000 cars as compared with only 8,420 in the same period a year ago. In the same period domestic production has slipped back 11 per cent from the 1932 level. Imports of cars into Canada have remained almost stationary.

* * *

Lumber on its Way

SIMILAR good news comes from the figures on lumber exports for September. The great primary business of the Maritime Provinces and British Columbia has been rousing itself for many months now and September figures bear eloquent testimony to the fine market for our forest products which is opening up in Great Britain and to some extent in the U. S. A. In September, Canada shipped to Great Britain, planks and boards, square timber and other items valued at $981,000. The corresponding figure for the same month in 1932 was $233,000. Similarly total exports for the month were $2,000,000 against only $627,000 a year ago.

* * *

More Farm Products to U. S. A.

ANOTHER export gain was the heavy increase in shipments of wool, rye, bran and fresh berries, to the United States for September. Exports of all farm products from Canada to the U. S. for the month were valued at $1,526,000 as compared with $220,000 in the same month a year ago. For the first three months of the current U. S. fiscal year, Canada's trade in farm products has increased exactly fourfold to a total of $3,272,000 as compared with $805,000 in the same period of 1932. This is the first important improvement in this once-valuable trade which has occurred for many years and indicates that the downward trend which had all but wiped out this business has been halted.

Details show for September 2,200,000 pounds of wool valued at $414,000 were exported. A year ago, only 14,000 pounds worth about $10,000 were shipped. Total shipments for the first three months are valued at over $5,000,000. Rye shipments in September were over 1,000,000 bushels, valued at $630,000 whereas nothing was shipped in the same month of 1932 and only 42 bushels in September of 1929. An equally spectacular increase is shown in exports of bran (shorts and middlings), which were exported to a value of $237,000 as against $1,700 in September, 1932. Total shipments of bran in the three months period are valued at $785,000. Fresh berry shipments increased in value in the month from $50,000 a year ago to $83,000.

RUBBER BELTING

New guaranteed—6" 4 ply at 18c per foot, 5" 4 ply at 15c, 4" 4 ply at 12c, 3" 4 ply at 9c.
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Business Conditions in Canada

REVISION SEEN OF TRADE TREATY WITH AUSTRALIA

Long List of Goods Benefits by New Concessions to Canada

PRIMAGE IS CUT

While New Plan Allows for Depreciation in Value of Australian Currency

From Our Own Correspondent

OTTAWA.—A major reduction in tariff on goods from Empire sources has been announced by the Australian Government and, although neither lumber or canned salmon is affected, it is believed here that a substantial increase in Canada's exports will follow.

The action of the Australian Government received a bad press in Canada by reason of the fact that the cable reports were garbled, resulting in a gross misconception of the facts. Indeed, the first report which was published in at least one Canadian daily was to the effect that Australia had increased the tariff.

Gradual Revision Forecast

These tariff reductions on the part of Australia are believed, at Ottawa, to usher in a gradual but important revision of the Canada-Australia trade treaty. It is learned here that owing to the fact that Canada's exports to Australia seem to be rapidly outstripping our imports from that country, a number of additional tariff concessions are likely to be added to the treaty with the next six months.

The Federal Government is now considering this matter and the changes will likely be made in the next budget. Furthermore, additional tariff reductions on the part of Australia are regarded as very probable, although these are not likely to materialize until next spring.

The trade between the two countries in the last two fiscal years indicates the need of more generous treatment on the part of Canada. The figures are:

	Imports	Exports
1932	$5,696,770	$5,387,982
1933	5,902,587	7,312,574

As for the tariff reductions ordered in by the Australian Government, it is impossible to estimate the value of trade affected. Numerous items are covered but very few are shown in our trade statistics. Individual manufacturers, however, will have no difficulty in appraising the benefit that will accrue.

Average Cut 15 Per Cent

The extent of the tariff reduction cannot be stated in general terms but will run to 15 per cent in most cases and in some will be much higher. The reduction is twofold. On a selected list of commodities the Australian Government has cut the primage duty from 10 to 5 per cent. On a larger list, but including most of the items covered by the primage tariff reduction, the Australian Government now makes an allowance for the variation in currencies.

Both reductions apply only to the British Preferential tariff. This covers Canada, Great Britain, South Africa and various other parts, but not the whole of the Empire. In reverse, it is equivalent to a tariff increase against non-British countries.

How New Plan Works

The cut in tariff on the basis of exchange differentials is explained at Ottawa as follows: Whenever, at the date of exportation of goods, Australian currency is depreciated by not less than 16-2/3 per cent in relation to the currency of the British country exporting the goods, a deduction is to be made of one-quarter of the ordinary customs duty or of one-eighth of the value of the goods for duty purposes, whichever is the less. Whenever the depreciation of Australian currency is not less than 11-1/9 per cent but less than 16-2/3 per cent, the deductions will be one-eighth of the duty, or one-sixteenth of the value of the goods, whichever is less.

At the present time, Australian currency is depreciated approximately 21 per cent below Canadian currency and Ottawa interprets the foregoing change as meaning that Canada will receive a cut of one-quarter of the duty or of one-eighth of the duty value, whichever is the less.

No Salmon or Lumber

Canada's chief exports to Australia are canned salmon and lumber and neither commodity is benefitted by the tariff reductions. But Canadian exporters in both lines have been doing a profitable business with Australia, so that Ottawa has no complaints to make on this score.

The cut in tariff based on exchange differentials will apply to the following commodities:

Cocoa and confectionery; canned crustaceans; canned fruit and vegetables; sundry goods not named in the tariff but put up for household use or retail sale; onions; piece goods of cotton, wool or felt; haircloth; waterproof cloth; specified kinds of buttons; apparel; fur manufacturers; harvesting, driving and similar gloves; hats and caps; socks and stockings; blankets; waterproofed roof coverings; linoleums; quilts; table covers; sheets, pillow cases and like articles; handkerchiefs; specified towelling; braids and fringes; tents; sails; bags of textile; aluminum and nickel bars, pipes, sheets and rods; copper in blocks, bars, sheets, pipes and wire; lead sheet and pipe; barbed wire; other iron wire; specified argicultural machinery and implements; excavating machinery; smelting machinery; household clothes wringers; scales and weighing machines; mining machinery; road making machinery; refrigerators; steam engines; road rollers; piston rings; pins and valves; electrical machinery and appliances dutiable at 15 per cent ad valorem and higher; wireless receivers and parts and accessories; alternating current watt-hour meters; covered wire and cable; bolts, nuts, rivets, washers, screws; nails and tacks; smoothing irons; metal bedsteads; specified chains; specified plated ware and cutlery; electro and stereotypes; aluminum and enamelled ware; lamps and lanterns; specified kitchen utensils; metal manufactures not specified in the tariff; printers' type; specified hand tools; empty collapsible tubes; blackings, dressings and polishes; specified greases and oils; specified paints and colors; portland cement; porcelain ware for electrical purposes; specified earthenware and glassware; bottle stoppers; specified acids; insecticides and disinfectants; specified drugs; chemicals and medicines; perfumery; shooks for casks and vats; lasts and trees of wood; brushmakers' woodenware and turnery; woodenware for vehicles; tool handles; oars; furniture of wood; incubators; specified manufactures of wood; specified clocks and watches; phonographs and records for; leather; harness; belting; surgical rubber goods; rubber mats, hose, gloves and tires; paper bags; roofing paper; blotting paper; gummed paper; carbon paper; cover paper; straw paper; strawboard; printed advertising matter; stationery; ink; handworked inflators for tires; bicycles and bicycle frames; side cars; children's tricycles; perambulators; go-carts and parts; specified parts of motor vehicles; pipe organs and organ pipes; specified asbestos manufactures; atomizers and spray guns; bags, trunks and purses; brooms and mops; brushes; coke; specified cordage and twines; binder twine, specified yarns and threads; specified explosives and ammunition; specified surgical appliances.

Primage Duty

The reduction in the primage duty applies upon all the foregoing items, but there are also a number of items on which the primage duty has been treated differently.

The primage duty on specified machines and machine tools, electrical appliances, hand tools, and articles for manufacturing purposes, formerly 4 per cent, is abolished under the preferential tariff. The primage duty on hoop iron, a long list of electrical appliances, covered wire and aircraft is cut from 10 to 4 per cent. The duty is abolished altogether on tea, hessian and jute piece goods, soda ash, miners' hats and caps, and tractors. Such articles as books for libraries, caustic soda and potash which formerly were taxed 4 per cent are now exempt. The tax is cut from 10 to 4 per cent on infants' and invalids' foods, printing paper, maps and charts and a substantial number of surgical instruments and appliances.

Foreign countries benefit only to a slight extent by the general reductions of tariff. The primage duty cut of from 10 to 5 per cent applies upon all imports of tinned plates and sheets, graphite, specified cotton yarns, artificial silk yarns, celluloid sheets, steel boiler tubes and a few additional commodities.

All Areas Show Gain Except Prairie Provinces

September Regional Indices Improve Most in Maritimes and Eastern Canada — Employment Improves

By SYDNEY B. SMITH

As measured by The Financial Post regional indexes, economic expansion predominated throughout Canada during September, the only exception being the Prairie Provinces, where a low level of wheat receipts depressed the index. Further gains were recorded in the other areas continuing the unbroken advance since April.

The indicators standing for the construction industry fared better in September except in the Prairie Provinces. Electric output recorded adjusted gains except in Quebec, where shortage of water indirectly affected production. The excellent showing made by employment was a bright feature of the month, increases being shown in all areas except British Columbia.

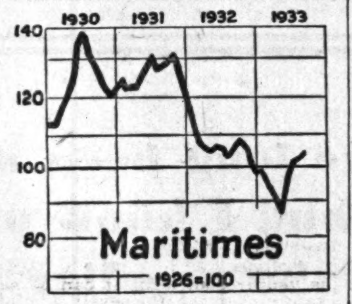
Tonnage Figures Higher

Bank debits were in the red except in the Maritime provinces. Sales of life insurance were greater in Quebec and Ontario and showed a drop in the other areas. Tonnage of vessels cleared from Maritime provinces and British Columbia ports was considerably greater than in August, and exports from British Columbia showed a marked gain.

Maritime Provinces.—The Maritime provinces made a relatively better showing in September compared with the preceding month than any of the other economic areas. The adjusted index of contract awards showed a gain of 40.5 per cent and building permits were up 54.1 per cent. Contracts were $462,000 as against $329,000 in August and permits at $155,000 compared with $103,000.

The average daily electric output was 1,483,000 kw.h. compared with 1,413,000, the increase being contrary to seasonal tendencies. The gain in the adjusted index was no less than 20 per cent. Employment in industrial pursuits was represented by an adjusted index of 87.6 compared with 87.2, the indicated increase being about 0.5 per cent. Bank debits were $42,000,000 compared with $40,060,000, resulting in an adjusted gain of 2.6 per cent. This increase contrasts with general declines in the other areas.

The decline in sales of life insurance was greater than normal for the season. Imports through Maritime province ports showed decline, while the gain in exports was less than expected from seasonal tendencies. Tonnage of vessels cleared from Halifax and Saint John was 755,110 compared with 546,546, a sharp gain being indicated.



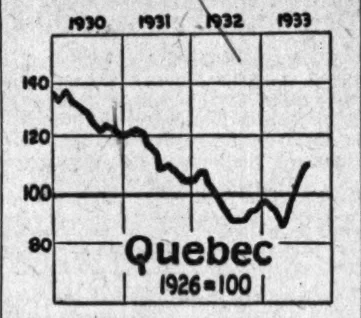
The index for the Maritime provinces was 105.8 compared with 103.6 in August, a gain of nearly 2 per cent.

Quebec.—Four factors out of the nine used in the determination of the trend in Quebec showed gains in September over the preceding month. Marked percentage gains were recorded in construction contracts and in building permits, but the actual level of operations was very low compared with the base year of 1926. Contracts were $4,357,000 compared with $3,587,000 and permits were $573,000 as against $388,000. The index of contracts advanced from 28.9 to 37.6 and that of building permits from 7.2 to 14.2.

The daily average output of electric energy was 27,635,000 kw.h. compared with 27,927,000, the decline due in part to low water being contrary to seasonal tendencies. The most significant factor of the month was the gain in employment. The index after seasonal adjustment was 84.4 on October 1 compared with 83.0 at the beginning of the preceding month.

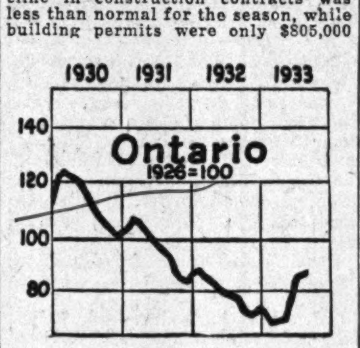
The decline in bank debits was greater than normal for the season, the index dropping from 96.9 in August to 96.0 in September. Sales of life insurance at $8,079,000 showed an adjusted gain of 1.5 per cent.

The boot and shoe industry operated at a high level, the gain in the latest month for which statistics are available being slightly less than normal for the season. Imports of raw cotton by the cotton industry were considerably less than the relatively high level of the preceding month, the total being 7,409,000 pounds compared with 10,584,000. The newsprint industry was less active in September, the adjusted index of output being 117.5 compared with 122.7.



The net result was a business index of 110.8 for Quebec in September compared with 108.9 in the preceding month.

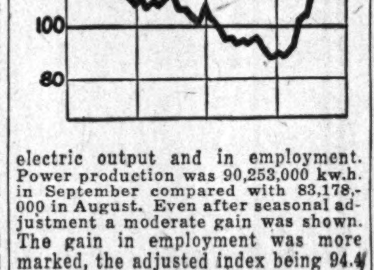
Ontario. — Slight betterment was shown in the business situation of Ontario during September. The decline in construction contracts was less than normal for the season, while building permits were only $805,000 compared with $1,005,000 in August. Average daily output of electric power was 13,337,000 kw.h. compared with 12,670,000 and the monthly consumption was 496,900,000 kw.h. compared with 494,000,000 despite the difference in the length of the months. The adjusted index of the output showed a gain of 2.1 per cent. The employment situation showed moderate improvement during September, the adjusted index moving up from 85.5 to 86.1.



Bank debits at $1,007,000,000 showed a decline contrary to seasonal tendencies. Sales of life insurance declined less than normal for the season, the total being $10,451,000 compared with $10,690,000. The gain in the operations of the meat-packing industry was below seasonal expectations, the index declining from 117.0 to 112.9. The primary iron and steel industry was less active and the index of automobile production dropped from 39.5 to 37.8.

The business index for Ontario showed moderate gain in September at 87.1 compared with 86.9 in August.

Prairie Provinces.—The bright features in the business situation of the Prairie provinces were the gains in electric output and in employment. Power production was 90,253,000 kw.h. in September compared with 83,178,000 in August. Even after seasonal adjustment a moderate gain was shown. The gain in employment was more marked, the adjusted index being 94.4 compared with 86.1, the increase being no less than 9.6 per cent.



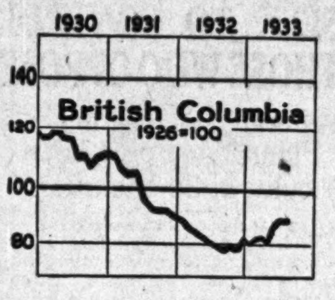
The construction industry showed a moderate drop from the low level of the preceding month and bank debits and sales of life insurance recorded declines.

Wheat receipts at country elevators were 55,585,000 bushels compared with 25,624,000 in August, the gain being less than normal for the season. September, 1932, receipts were 120,538,000 bushels while in the same month of 1931, 47,443,000 bushels were delivered. The average price of No. 1 Northern wheat was 67.1 cents in September compared with 73.3 in August.

The business index of the Prairie provinces was 119.8 compared with 120.9 in the preceding month.

British Columbia.—Building permits in British Columbia were $270,000 during September compared with $179,000 in the preceding month, while contracts showed a marked decline. Average daily electric output was 3,287,700 kw.h. compared with 3,150,000, the gain after seasonal adjustment being nearly 4 per cent. The adjusted index of employment showed a decline from 83.4 to 81.1, and bank debits and sales of life insurance were at a lower level.

Exports through British Columbia ports were $8,113,000 compared with $7,755,000, the gain being contrary to seasonal tendencies. Imports were practically maintained after seasonal adjustment, while the index of tonnage of vessels cleared from Vancouver showed a gain of 4.2 per cent.



The business index of British Columbia was consequently 89.5 compared with 89.3 in August.

SUGAR CONSUMPTION SHOWING DECLINE

Shipments of Granulated Slump 17 Per Cent in Recent Weeks

Domestic shipments of sugar from Canadian refineries as reported to the Dominion Bureau of Statistics for the four weeks period ending October 7, show a drop of 18 per cent as compared with the same period a year ago, according to figures published this week. The total was 83,185,000 lbs., as compared with 101,000,000 lbs. a year ago. Total shipments for the year-to-date are 653,500,000 lbs., a decline of about 6 per cent*.

Total sugar manufactured during the period declined similarly with domestic shipments although exports were more than double those of September, 1932, both as to price and quantity. Two-thirds of total exports were to Newfoundland.

The decline in shipments and manufactures was almost wholly in granulated sugar, shipments of yellow and brown sugar for the month being almost similar to those of a year ago. Granulated shipments were off 17 per cent as compared with September a year ago.

Commodity Prices

	Week ending Oct. 21	Previous week	Same week last yr.
Cattle, cwt.‡	$4.75	$5.00	$5.00
Copper, lb.	.07½	.08	.06¼
Cotton, lb.	.0940	.0940	.0625
Rubber, lb.	.0712	.0753	.0339
Sugar, raw, lb.	.0320	.0337	.0312
Silk, lb.	1.52½	1.62½	1.70
Wheat (Man.) bu.*	.64⅝	.54⅞	.49¼
Hides, lb.	.10	.10	.07
Coffee, lb.	.07½	.07⅝	.08¾

Weekly Indices

N. Y. Annalist‡	103.2	105.4	90.6
Fishers'	†71.5	72.2	†62.0
N. Y. Journal of Comm.■	70.6	71.4	58.7
Crumps (Brit.)*	63.7	63.8	†62.4
Canada (D.B.S.)▲	85.4	85.7	....
U. S. Labor*	71.3	71.1	64.9

†Average, 1932. *Week to Oct. 14. ‡Week to Oct. 17. ▲Oct. 14. •Oct. 7. ♦Oct. 21. §Oct. 19. °Oct. 23. ■Oct. 14.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (September)	68.9	69.4	65.9
Retail (Sept.)	78.2	78.6	81.4
U. S. Labor (Aug.)	69.5	68.9	65.2
Gt Brit. (August)	69.2	69.0	67.1

‡Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price. Toronto: copper — electrolytic, New York; silk — Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Oct. 14)	29,328	26,194	1,555,108	1,726,428
C. P. R. gross earn. (Oct. 14)	$ 2,794,000	$ 2,810,000	$ 85,724,000	$ 94,981,000
C. N. R. gross earn. (Oct. 14)	$ 3,107,950	$ 3,381,187	$ 110,400,673	$ 121,870,801
	Monthly			
C. P. R. net earn. (Aug.)	$ 738,601	$ 697,206	$ 6,968,122	$ 6,808,793
C. N. R. net earn. (Aug.)	$ 1,007,031	$ ‡466,191	$ ‡1,151,485	$ 362,885
Iron and Steel—				
Pig iron, tons (Sept.)	30,738	5,709	133,870	96,219
Steel, tons (Sept.)	38,630	23,139	266,829	257,843
Automobile prod. No. (Sept.)	5,808	2,342	56,689	53,550
Auto Vehicles—				
Passenger, sales, No. (Aug.)	3,358	2,646	33,454	33,362
Trucks & buses, sales, No. (August)	552	559	4,055	5,641
Auto. exports, No. (Aug.)	1,754	1,566	12,258	6,225
Construction—				
Building permits (Spt.)	$ 2,032,839	$ 2,449,735	$ 16,125,512	$ 35,026,199
Contracts (September)	$ 8,386,900	$ 9,646,500	$ 63,480,700	$ 109,636,300
Newsprint—				
Production, tons (Sept.)	179,416	150,691	1,448,249	1,455,348
Exports, tons (Sept.)	177,805	169,277	1,318,224	1,387,263
Sugar—				
Imports, raw, lbs. (Sept.)	48,576,000	57,911,500	423,247,900	577,764,500
Melt. & ship., lbs.*	76,857,654	92,239,204	572,578,024	661,401,963
Manufactured, lbs.*	87,616,868	106,613,372	573,374,868	656,614,187
Flour—				
Production, bbls. (Aug.)	1,443,692	1,272,009	8,045,597	8,406,423
Wheat flour exp., bbls. (Sept.)	552,556	385,113	3,609,983	3,534,100
Other Industrial Indices—				
Lumbering: Plank & board exports, mil ft. (Sept.)	112.04	35.45	699.18	534.69
Boots and shoes, pr. (Aug.)	2,237,179	1,708,359	13,035,938	12,217,428
Petroleum imp., crude gal. (August)	116,310,000	89,780,000	497,847,889	644,967,131
Cotton, imp. raw. lbs. (August)	10,584,000	5,995,000	61,140,000	59,688,000
Rubber, raw, imp. lbs. (Aug.)	4,022,000	2,173,000	22,770,876	32,269,659
Coal, imports, tons (August)	1,294,410	1,198,210	6,464,597	6,643,542
Gasoline sales, gals. (July)	56,490,000	51,551,000	256,473,000	264,609,000
Trade—				
Imports (Sept.)	$ 38,698,416	$ 34,504,129	$ 281,104,940	$ 348,789,473
Exports (Sept.)	$ 57,784,804	$ 42,186,815	$ 359,947,004	$ 348,622,430
Wheat exports, bus. (Sept.)	19,666,351	26,874,237	128,061,430	132,989,365
Labor—				
Employment Index (Sept.)	88.5	86.0	....	....
Electric Power—Output—				
M. Kilowatt hours (Sept.)	1,489,329	1,279,136	12,523,497	11,591,420
Electric Power—Output—				
Failures, No. (July)	142	175	1,281	1,412
Failures, Liabilities (July)	$ 2,289,454	$ 2,986,840	$ 21,645,249	$ 24,208,290
Bank debits† (August)	$ 2,648,513	$ 2,115,675	$ 19,371,609	$ 16,828,259
Bond sales (Sept.)	$ 421,279	$ 73,191,947	$ 249,127,454	$ 271,594,753
Insurance sales (Aug.)	$ 27,263,000	$ 28,370,000	$ 235,736,000	$ 281,372,000
Automobile Financing—				
Used cars (August)	$ 901,829	$ 1,161,564	$ 7,726,229	$ 9,846,542
New cars (August)	$ 906,611	$ 1,023,187	$ 7,734,716	$ 10,068,652

*Four weeks period, Sept. 16 to Oct. 7. †(000's omitted). ‡Deficit.

OLDSMOBILE ALONE INCREASES SALES IN PAST MONTH

Chevrolet Lengthens Lead in Eastern Canada Car Sales

Chevrolet increased its hold on the "best seller" of the Canadian passenger automobile field by sales of 626 cars in Eastern Canada in September. Ford held second place with 570, while Plymouth nosed out Dodge for third place with sales of 281. The figures are gleaned from an analysis made by The Financial Post of figures supplied to Canadian Automotive Trade by Mights Directories.

Total sales in Eastern Canada showed a good gain in September as compared with the same month a year ago. The total for 1933 was 2,439 or an increase of 9 per cent. The September figures show a seasonal drop of 22 per cent below August sales, with Oldsmobile alone of the ten leaders showing an increase.

Comparative figures follow:

Passenger Car Sales by Leading Makes (Eastern Canada Only)

	Sept. 1933	Sept. 1932	9 Months 1933	Total 1932
Chevrolet	626	444	8,623	8,596
Ford	570	529	6,054	8,146
Plymouth	281	106	2,711	2,484
Dodge	283	56	3,074	861
Pontiac	150	159	2,066	1,756
Buick	111	111	1,415	1,820
Essex	90	146	905	998
Chrysler	81	71	916	970
Oldsmobile	62	58	655	633
Frontenac	46	102	622	491

Auto Sales by Provinces (All Makes)

Ontario	1,795	1,620	20,718	20,978
Quebec	476	431	6,261	7,247
N. B.	50	58	734	1,586
N. S.	109	115	1,586	2,362
P. E. I.	9	12	159	183
	2,439	2,236	29,458	32,356

Of the ten leaders, all but Pontiac, Essex and Frontenac show higher sales in September than a year ago. Buick sales for the month were exactly the same as in September, 1932. Cumulative totals for the first nine months of the year show that Chevrolet, Plymouth, Dodge, Pontiac, Oldsmobile and Frontenac have higher sales to date than at this time last year while Ford, Buick, Essex and Chrysler have smaller totals. Dodge has made the most spectacular gain of the year its total to date being almost four times that of corresponding sales a year ago. Sales in September for Dodge were nearly five times the record of the same month a year ago.

Oldsmobile Alone Gains

Compared with August, the only car to show increased sales in September was the Oldsmobile which reported 62 cars as compared with but 51 in the previous month. All other cars showed fairly substantial declines, though outside of Oldsmobile, the best comparative showing was in Plymouth and Dodge.

Analyzed by provinces, Ontario and Quebec showed gains as compared with sales in September, 1932, while sales were slightly lower than in the Maritimes.

Apple Exports Heavier

The movement of apples to Halifax for export, from the Annapolis Valley, since the beginning of the season, totals 366,983 barrels, 22,217 half-half-barrels, 147 boxes and 309 hampers, as compared with 147,204 barrels, 18,292 half-barrels, 435 boxes and 298 hampers, for the same period last year.

Business Briefs

Wheat in Store according to Canadian visible figures for the week ending Oct. 13 increased 8,413,000 bushels to 243,660,000 bushels. This compares with 223,267,000 bushels for the same week of 1932. The total for the week ending October 13 is the highest on record.

Wheat Marketings on the prairies for the week of October 6 were 14,829,000 bushels, an increase of 500,000 bushels over the previous week. In the same week of 1932 some 26,342,000 bushels were marketed. Total marketings of the first 10 weeks of the present crop year are 93,807,000 as compared with 164,595,000 bushels in the same period a year ago.

Wheat Exports for the week ending October 13 totalled 3,435,000 bushels as compared with 4,215,000 bushels the previous week and 6,946,000 bushels for the same week in 1932. In the week of October 13, 50 per cent of total exports were via Montreal—a considerably larger proportion than was handled via this port in the same week of 1932.

Car Loadings for the week ending Oct. 14 dropped to 50,303 cars as compared with 53,198 the previous week. The total was 3,529 cars above the same week a year ago. The D. B. S. index for the week rose sharply however, from 69.2 to 72.4 groups showed gains as compared with the same period a year ago, with the exception of grain, livestock coke and merchandise.

Pig Iron Production declined 13 per cent in September to 30,738 tons as compared with 35,233 tons in August. cumulative production for the first nine months of the year is 40 per cent above 1932 levels but only one third of that produced in the same period of 1931.

Steel Ingot Production declined 21 per cent in September to 38,630 tons as compared with 48,659 tons produced in August. The decline was mostly in ingot grade. Cumulative production in the first 9 months is slightly higher than in the same period of 1932.

Failures under the Bankruptcy Act as disclosed by the Canadian Gazette for the week ending October 14, show a decrease of 5, the figures being: 1932—28 and 1933—23. Figures for the whole period of the year up to October 14 are: 1932—1,677 and 1933—1,241, a decrease of 436.

Agricultural Implement Exports—Agricultural implements and machinery were exported in September to the value of $124,406, which included $23,628 to the United States, $12,262 to the United Kingdom, $27,149 to British South Africa, $10,874 to Australia, $8,431 to New Zealand and $17,403 to Argentina. The total export in September last year was $75,698.

CANADA APPLE CROP RISES 23 PER CENT

All Provinces Except British Columbia Share in Gain

Apple production in Canada for 1933 is estimated at 4,892,000 barrels as compared iwth 3,977,000 in 1932, according to an estimate dated Oct. 18 based on Oct. 1 data and published by the fruit branch of the federal department of agriculture This is an increase of 23 per cent.

All provinces show an increase except British Columbia where the decline is 18 per cent. Figures by provinces follow:

	Estimated 1933	% of 1932	1932
	Bbls.		Bbls.
Nova Scotia	2,125,000	201	1,054,500
New Brunswick	45,000	113	40,000
Quebec	265,000	103	258,000
Ontario	1,069,000	116	918,500
	Boxes		Boxes
British Columbia	4,164,000	81	5,118,000
	Bbls.		Bbls.
Canada	4,892,000	123	3,977,000

MR. PICOBAC Chats with Alberta Range Riders

In Calgary, after Mr. Picobac had finished his investigation into local smoking conditions, his enthusiastic friends and admirers insisted on running him out to see the High River Ranch of the Prince of Wales.

Here a group of jolly cowboys surrounded him on their cow ponies and offered him the Freedom of the West.

"We represent the Range Riders of the great free Province of Alberta," they told him. "You can go as far as you like."

"Thanks, boys," said Mr. Picobac. "I'm going through to the Coast. Tell me . . . what does Alberta think of Picobac tobacco?"

"It's a mild . . . cool . . . sweet smoke," replied the cowboys in chorus.

"And it's good for making cigarettes, too," Mr. Picobac reminded them. "You bet!" agreed the bunch. "That's what we use it for."

Picobac tobacco is the "Pick of Canada's Burley Crop, grown in Sunny Southern Ontario." You'll like it. On sale where tobacco is sold.

—and don't forget, you get more tobacco for your money.

Good for making cigarettes, too.

Price of ½ lb. Tins Now Reduced from 75c. to 60c.

"IT DOES TASTE GOOD IN A PIPE!"

Picobac

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Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
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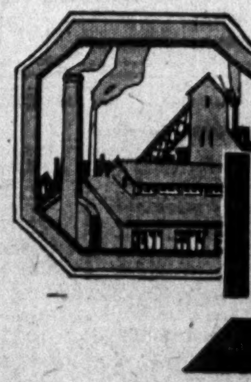

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MANAGER AND ENGINEER, with several years record of successful management of business having annual turnover of $250,000, desires opportunity where it is necessary to reorganize and systematize a business so that satisfactory results may be secured. Minimum salary $7,000. Box 202, Financial Post.

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Engineer Available

SCOTTISH ENGINEER (B.Sc. Glasgow), desires connection with prominent Canadian engineering firm. 28 years of age, extensive experience most branches of construction, field and inside work, both contract and administrative. At present located in Glasgow, but available on reasonably short notice. Highest qualifications and references. Write J. W. Nicolson, Manager, The Bank of Nova Scotia, Dalkeith, Ont., for further information.

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A SMALL ESTABLISHED shrub and flower nursery with greenhouses near Toronto requires a working partner who will take over office and sales work. A good opportunity for man retiring from active business. Box 170, The Financial Post, Toronto, Ont.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND No. 282

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after FRIDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October, 1933.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the FOURTH day of DECEMBER next.

The Chair to be taken at noon.

By Order of the Board.

W. A. BOG, General Manager — JACKSON DODDS, General Manager

Montreal, 17th October, 1933.

The Bank of Toronto

Dividend No. 209

Notice is hereby given that a **Dividend of Two and One-Half** per cent. upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of December next, to shareholders of record on November fifteenth, 1933.

The Annual Meeting of the shareholders will be held at the Head Office of the Bank on Wednesday the seventeenth day of January next, the chair to be taken at noon.

By Order of the Board.

H. B. HENWOOD,
General Manager.

Quebec Power Company

Notice is hereby given that a dividend of Twenty-five cents (25c) per share has been declared on the no par value common shares of the Company for the quarter ended September 30th, payable November 15th, to shareholders of record October 27th, 1933.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, Oct. 20, 1933.

The Guelph Carpet & Worsted Spinning Mills Limited

Preferred Dividend No. 18

Notice is hereby given that a dividend of One and Five-eighths per cent. (1⅝%), being at the rate of Six and One-half per cent. (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills, Limited, for the three months ended October 31st, 1933, payable November 1st, 1933, to shareholders of record at the close of business October 20th, 1933.

By order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., October 20th, 1933.

The Guelph Carpet & Worsted Spinning Mills Limited

COMMON DIVIDEND No. 11

Notice is hereby given that a dividend of seventy-five cents (75c) per share has been declared upon the outstanding Common Shares of No Nominal or Par Value of The Guelph Carpet & Worsted Spinning Mills, Limited, payable November 1st, 1933, to shareholders of record at the close of business October 20th, 1933.

By order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., October 20th, 1933.

Weekly World Summary Reports Good News

The weekly summary of world business issued by the U. S. Department of Commerce follows:

U. K.—Further general strengthening on industrial conditions in the United Kingdom is reflected in a continued decline in unemployment; foreign trade figures for September show gains over last year, particularly in exports.

France—Seasonal revival of business in France has not materialized.

Belgium—Autumn gains are lacking in Belgium, although the unemployment position has improved slightly.

Spain—Dullness and uncertainty persist in Spain, but the rate of decline in exports has slackened.

Finland—Maintains a strong budget position.

Yugoslav—Foreign trade this year exceeds 1932, owing to larger exports.

Japanese—Business was fair during September and foreign trade active.

Chinese — Crops, except rice, are generally above the preceding year.

New Zealand — Definite improvement is being registered in New Zealand, owing to better export prices.

DIVIDEND NOTICES

BLUE RIBBON CORPORATION LIMITED

Notice is hereby given that a dividend of Fifty Cents (50c) per share on the preferred shares of the Company has been declared payable on and after November 1st, 1933, to shareholders of record on October 25th, 1933.

Dated at Toronto this 18th day of October, 1933.

J. C. JAMIESON,
Secretary.

The Canadian Bank of Commerce

Dividend No. 187

Notice is hereby given that a dividend of Two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1933, and that the same will be payable at the Bank and its Branches on and after Friday, 1st December next, to shareholders of record at the close of business on the 31st October, 1933. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 20th October, 1933.

Mercury Oils, Limited

NOTICE
To Shareholders

Notice is hereby given that a dividend of four cents per share has been declared upon the Common shares of the Company, issued and outstanding, payable on January 2nd, A. D. 1934, to shareholders of record at the close of business on Thursday, November 30th, A. D. 1933.

The transfer books of the Company will be closed at 5 p.m. on Thursday, November 30th, A. D. 1933, and will be reopened on Saturday, December 30th, A. D. 1933.

By Order of the Board of Directors,

CHAS. BIGGS,
Secretary.

Transfer Office,
300 Lancaster Building,
Calgary.

WHEN REMITTING SEND MONEY ORDERS
CANADIAN NATIONAL EXPRESS

FINAL FIGURES SUPPORT GAIN IN SEPTEMBER

Manufactures, Employment, Construction, Mining Improve

The genuine nature of the Canadian business expansion was again demonstrated in September when productive operations showed a definite gain over the preceding month. The Financial Post business index in its final form was 90.9 compared with 88.7 in August, and a preliminary figure for September (Financial Post, Oct. 21) of 90.4.

Productive enterprise in Canada is now at the highest point since November, 1931, and while recovery in the United States from March to July was relatively more rapid, the movement toward recovery has been more persistent in this country, substantial reaction being shown in the United States during August and September. The net result is that business operations in Canada compared with the base year 1926 are now on a relatively higher level than in the United States.

The Financial Post index is based on 47 factors which may be divided into six divisions. Four of the principal groups showed gains in September over the preceding month.

Mineral production and general manufacturing were characterized by unmistakable gains, while the factors indicating the trend of the construction industry showed a moderate expansion from the low level of August. The increase in the average daily output of electric power was less than normal for the season. Bank debits showed considerable decline from August, while employment compiled for the main phases of productive enterprises except agriculture, recorded a significant increase on October 1.

Details of Activity

Additional business factors for which information was not available last week and which comprise The Financial Post index of 47 items, follow:

The index of manufacturing production moved up from 96.9 to 97.0, food products and tobacco showing gains while forestry, iron and steel and raw cotton imports recorded recession. Cattle slaughterings at 100,743 head showed a gain less than normal for the season, while hog and sheep slaughterings were greater. The index of tobacco releases recorded a gain owing to the favorable showing in cigarettes after seasonal adjustment. Imports of raw cotton were 7,409,000 pounds compared with 10,584,000. Cotton yarn showed a gain, while the decline in wool was less than normal for the season.

The decline in the output in steel ingots and pig iron was moderate after seasonal adjustment. Production of steel was 38,630 tons compared with 48,659 and the pig iron output was 30,739 tons compared with 35,233. Production of motor cars was 5,808 compared with 6,079. Imports of crude petroleum were 108,097,000 gallons as against 116,312,000 when seasonal tendencies called for an increase. Imports of crude rubber were greater than for some time, the total being 5,869,000 pounds compared with 4,022,000.

Building permits were a little more encouraging, a total of $2,033,000 compared with $1,928,000 showing a seasonally adjusted gain of 12.5 per cent. The index of the construction industry moved up from 25.5 to 26.9.

The adjusted index of employment 86.9 on October 1 compared with 84.8 at the beginning of September.

Joins Lord & Thomas

REG. R. FARYON
Who has recently joined the Toronto office of Lord & Thomas of Canada, Ltd., as account executive.

WESTERN GROWERS SEEK TO CONTROL THOSE WHO OPPOSE

Federal Legislation is Planned to Force Agricultural Co-operation

From Our Own Correspondent

VANCOUVER.—Federal legislation seeking to control minorities who will not co-operate in co-operative ventures to stabilize prices and regulate marketing of agricultural produce will be sought during the next session of the House of Commons by representatives of western farming interests, including the fruit growers of the Okanagan district.

Plans are now being made for the holding of a series of conferences in Toronto during the annual Winter Fair, which always attracts a large number of farmers to that city. Proposals for adopting in Canada measures similar to the British Agricultural Marketing Act will then be dealt with.

F. D. Wolthausen Heads Wolthausen Hat Corp.

F. D. Wolthausen has been appointed president and general manager of Wolthausen Hat Corp. to succeed the late F. Wolthausen, founder of the company who died during September. S. C. Horton has been appointed vice-president and treasurer and A. B. Brown, secretary. Charles H. Weir, who has represented the company in Toronto for over 20 years, is now a director of the company.

S. C. Horton has been secretary-treasurer of the company for 30 years and F. D. Wolthausen, son of the founder, has been associated with the company since his youth.

International Paper Co. Adopts Code Provisions

From Our Own Correspondent

MONTREAL.—International Paper Co. has put into effect a maximum working week of 40 hours in all its American mills. With the reduction in hours of labor, an average increase of 12 per cent has been made in the hourly rates of wages.

The plants are reported to have been on a 48-hour week, with some employees working overtime at increased compensation, so that the increase in hourly pay compares with a reduction of 16 2/3 per cent in the working week. Overtime pay will be paid as formerly.

This action was taken by the company in anticipation of the labor provisions proposed in the code of the pulp and paper industry, upon which action is being taken soon by the N. R. A. administration.

November Dividend Total May Mark Turning Point

First Month in Over Three Years in Which Dividends Paid Have Not Shown Decrease From Corresponding Month of Previous Year

Dividend disbursements by Canadian companies drop to a seasonal low point during November and the total of payments in this month will amount to only $3,700,000 in contrast to the $11,800,000 paid out in dividends during October. Despite the comparatively small volume of dividends to be paid there is one notable feature about November payments and that is that the volume is almost exactly the same as in November, 1932, when $3,652,000 was paid out. November will, therefore, be the first month in more than three years that the volume of dividends paid will not fall well under the total of the corresponding month in the preceding year. December, always a month of heavy dividend payments, may give further evidence that a turning point has been reached.

Changes in dividend policy, announced to date, are few. The bonus of 5 cents per share to be paid by Hollinger Consolidated Gold Mines Ltd. doubles the payment to be made by that company in November and brings the total bonus paid in 1933 up to 15 cents per share. Dividend rate on the common stock of Southern Canada Power Co. is reduced to 80 cents per year from the $1 per year that has been paid since 1929. No other changes have been announced to date in November payments.

Dividends payable during November, as compiled by The Financial Post from official announcements, are as follows:

Summary of Payments

Dividends	$3,656,148
Bond interest	48,458,239
Total	$52,114,387

Dividend Payments

Company:	Rate	Date	Amount
Beatty Bros. pref.	$1.50q	1	$ 16,995
Belding Corticelli, com.	$1q	1	7,495
Blue Ribbon, pfd.	50c.q	1	14,397
B.C. 'Phone, 2nd pfd.	$1.50q	1	67,500
Calgary Pwr., pref.	1½q	1	90,000
Canada Iron, pref.	1½s	15	58,167
Can. Bronze	15c.q	1	12,000
Do., pref.	$1.75q	1	12,600
Can. Converters	50c.q	15	8,667
Can. Dredge, pref.	1¾q	1	1,459
Canadian Oil, c.	12½c.q	15	17,970
Can. Investors, c.	10c.q	1	10,000
Coast Breweries	23c.q	1½	41,449
Dom. Bridge	50c.q	15	256,975
Dom. Scottish Inv. pfd.	25c.q	1	14,925
Guelph Carpet	75c.	1	26,250
Do., pref.	1⅝q	1	12,096
Hollinger Gold	5c.	4	246,000
Do., extra	5c.	4	246,000
Humberstone Shoe	50c.q	1	10,000
Imperial Bank	2½q	1	175,000
Inter. Nickel, pref.	1¾q	1	483,486
Int. Utilities, prior pf.	$1.75q	1	47,008
Do., pref.	87½c.q	1	91,608
Penmans	75c.q	15	48,388
Do., pref.	$1.50	1	16,125
Quebec Power	25c.q	15	138,299
Russell Motor, pref.	$1q	1	12,000
St. Law. Flour	37½c.q	1	4,500
Do., pref.	1¾q	1	10,062
Second Std. Royalties, pf.	1%	1	28,333
Shawinigan W. & Pr.	12c.q	15	261,390
Simpson, Robt., pfd	3s	1	100,500
Southern Can. Pr., c.	20c.q	15	80,000
Steel of Canada	30c.q	1	138,000
Do., pref.	43¾c.q	1	113,685
Teck-Hughes	15c.q	1	721,071
Weston, Geo., pref.	1¾q	1	15,750
Total			$3,656,148

Bond Interest Due in November

Company:	Rate	Date	Due	Amount
Alexandria Apts.	6½	15	1940	$ 9,587
Architects Bldg.	6	1	1945	21,000
Belding Corticelli	5	1	1936	3,425
Bell Tel., C	5	1	1960	187,500
Brant. Roofing, A.	6½	1	1950	19,012
Bruck Silk Mills	6½	1	1945	15,525
B.C. Veneer Wks.	5	1	1957	930
Calgary Brew.	5	1	1942	15,187
Canada Cement, A.	5½	1	1947	515,143
Can. Nor. Pr., A	5	1	1953	425,000
Can. Nor. West. Rly.	4½	1	1943	62,997
Can. Copper Ref	6	1	1945	73,500
Connors Bros.	6½	1	1938	4,225
Consol. Apts.	6½	15	1951	7,897
Cosmos Imperial	6½	15	1944	26,988
Davies Wm., A	6	1	1942	40,500
Dominion Park	7	1	1936	2,500
Dredging Contract.	6½	1	1947	16,250
Duke-Price Pr., A	6	1	1966	1,075,989
East. Can. Coastal St.	6	15	1949	16,140
East. Dairies, A	6	1	1949	90,000
Econ. Inv. Tr., A	5	1	1957	24,062
Gen. St. Wares, A	6	1	1952	234,840
Granite Club	6½	1	1941	7,848
Gr. Lakes Power	6	1	Serial	53,850
Hinde & Dauch, A	5½	1	1948	35,460
Hydro-El. Bond, A	5	1	1957	72,075
Jones Bros. of Can.	6½	15	1946	8,878
Kingston Elevator	6	1	1950	42,900
London Realty	6½	1	1950	39,000
Mayor Bldg.	6½	1	1942	18,866
Do., gen. mtge.	7	1	1947	10,500
Mercury Mills, A	5½	1	1953	36,712
Montreal Cotton	5	1	1943	11,715
Mont. Is. Pr., A	5½	1	1957	254,375
Nat. L. & Pr., A	6	1	1949	60,003
Nor. Can. Pr.	6	1	1953	67,500
Nor. Ont. L. & Pr.	6	1	1953	150,000
Paton Mfg.	6	1	1953	21,567
Penmans	5½	1	1951	51,232
Porto Rico Pr.	5	1	1936	43,962
Do., refund	5	1	1962	24,332
Do., debs.	6	1	1950	30,000
Provincial Pap., A	5½	1	1947	106,548
Queen's Hotel	6	1	1947	30,000
Randolph Hotel	6½	1	1947	7,897
Shawinigan, B	4½	1	1968	358,132
Sher. St. Realty	6½	1	1940	21,937
Traymore Coll. Tr.	7	1	1935	5,208
United Grain, B	5½	1	1949	18,713
United Secs., A	5½	1	1952	92,908
Do., B	5½	1	1952	41,620
Van. Island Trans.	7	1	1943	15,687
Wabasso Cot.	7	1	1942	17,465
Corporation bonds				$4,644,184
Municipal bonds				7,450,214
Provincial bonds				6,995,896
Dominion loans				29,367,945
Total				$48,458,239

GERRIE TOBACCO STOCK OFFERING INCLUDES BONUS

Small New Company Will Buck Large Firms — Finances Unknown

The H. R. Gerrie Tobacco Co., Ltd., Toronto, is offering 50,000 seven per cent cumulative preferred shares to Canadian investors with a bonus of one half share of common with each preferred share. Bucking a field occupied chiefly by Imperial Tobacco Co. of Canada (Turret, Gold Flake, Sweet Caporal, Winchester, etc.) its subsidiary, Tuckett Tobacco Co. (Buckingham, etc.) and MacDonald's (Exports, Blends, British Consols), this small company hopes to capture 10 per cent of the cigarette market within 18 months. Based on this hope, large earnings are anticipated, several times greater per common share than those of the dominant firm in the field, Imperial Tobacco, according to the offering prospectus.

No balance sheet has been published, and, of course, no earnings have been established by the new organization. There is no indication of the working capital available to finance a merchandising campaign.

Distribution of Votes

Authorized capital of the company is 50,000 shares of preferred, par $10, and 150,000 shares of common of no par value, all of which will be issued when present financing is completed. If investors buy all the preferred shares and get 25,000 shares of common, they will still be short of sufficient votes to control the company in the event that preferred dividends become two years in default, the period necessary before preferred shares get votes.

H. R. Gerrie, for over 30 years an employee of Imperial Tobacco Co. is president of the company. W. B. Reid, vice-president and managing director, was formerly president of United Cigar Stores of Canada, which was placed in the hands of Imperial Tobacco Co. the present owners. Other directors are: E. E. Vipond, K.C., A. E. D. Holden, H. S. Vipond, K.C., all of Montreal; L. W. Fraser and D. W. Lang, K.C., Toronto. Some of these are understood to be provisional appointments to be altered shortly. Outside of the Gerrie and Reid holdings, the directors owned on Oct. 10 only one share each of common stock, according to the prospectus.

Other information furnished to the Secretary of State for Canada follows:

"Of the authorized capital, 80,000 fully paid common shares have been allotted to H. R. Gerrie under his contract dated May 30, 1933, for exclusive services and for payments made by him and 69,993 fully paid common shares have been allotted to W. B. Reid under his contract dated September 15, 1933, for services. No shares have been issued for good will or other assets. No dividends have been paid. No commissions have been paid on the sale of shares but the company has authorized payment of commissions not exceeding 15 per cent. The net return per share on preference shares sold is $8.50. No cash consideration has been received by the company for no par shares. There are no mortgages or bonds or debentures ranking ahead of capital stock. The estimated amount of preliminary expense is $2,500. No amount has been paid or is intended to be paid to any promoter except as above stated."

Selling Programmes

The company is selling its stock itself. Preferred shares with the bonus of common are being offered at $10 per unit.

Interviewed by The Financial Post, W. B. Reid, the managing director, stated that the company will soon start a sales campaign including aggressive publicity. The exact nature of this is being kept quiet. Advertising, which is regarded as essential to tobacco and cigarette sales, is expected to play a large part, provided the company has sufficient funds to finance the necessary displays.

As tobacco buyer, F. R. Gregory, formerly a director of Imperial Tobacco Co. of Canada, has been secured by the company. He has had a long experience in this work.

One of the brands to be produced will be "Royal York" cigarettes. These are made mostly with Canadian leaf and smoke somewhat like some British brands of straight Virginia type. Two Molins cigarette machines have been purchased, experts rating these as of the finest and most expensive type available. These machines, it is stated will be operated by experienced workmen who are understood to have been employed.

The company was incorporated under Dominion Letters patent on April 22, 1933. The company is issuing its preferred shares at $10, instead of say, $100 par value in order to allow a wider distribution of stock.

HAT GREENHOUSES HAD SMALL LOSS

Working Capital Position Improved at $74,189; Liabilities Down

Medicine Hat Greenhouses Ltd. reports a loss of $1,353 in the year ended July 31, 1933, as compared with net earnings of $13,964 in the previous year. No provision was made for depreciation but preferred dividends of $5,688 were paid which reduced surplus to $212. Working capital position was improved however and ratio of current assets to current liabilities is shown at 33 to 1.

Income and surplus account of the company for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended July 31

	1933 $	1932 $
Net earnings	†1,353	13,964
Less: Depreciation	......	13,066
Net profit	†1,353	898
Less appropriations: Pref. divds.	5,688	*9,856
Deficit for year	7,041	8,958
Add: Prev. surp.	7,253	12,279
Less: Tax adjust.	......	1,068
Bal. carried forward	212	7,253

*After deducting dividends of $1,519 on preferred shares cancelled.
†Loss.

Current liabilities have been reduced materially in the past year and include no bank loans. While cash on hand amounts to only $437 the company has accounts and bills receivable to the total of $10,196; investments at cost of $10,498; contingent fund investments of $7,500 and inventories of $47,874. Working capital position is shown as follows:

Working Capital

	1933 $	1932 $
Current assets	76,505	80,563
Current liabilities	2,316	7,447
Working capital	74,189	73,116
Ratio	33.03—1	10.81—1

Fixed assets are carried at $283,790 after deducting reserve for depreciation amounting to $102,628. Deferred charges total $3,179 and total assets amount to $363,475. Reserves carried among liabilities total $15,947. There are outstanding 3,250 shares of $100 par value preferred stock and 20,000 shares of ordinary stock. During the last fiscal year the three oldest houses of the plant have been rebuilt and a more modern heating system installed.

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Price Brothers —and $50,000,000

Holders of Junior Equity Drop Large Sum in Bowater Plan — Given "Rights" to Buy New Shares

From Our Own Correspondent

MONTREAL.—Adoption of the Bowater plan for the reorganization of the 116-year-old Price Bros. & Co. will wipe out an apparent book equity of $50,000,000 held by preferred and common shareholders.

Following the inability of the company to meet its obligations on a funded debt of $11,061,600, it was not believed that the stockholders would come through a reorganization unscathed. Such has proved to be the case as far as the Bowater plan is concerned, for it wipes out all junior equity.

Take Care of Bonds

Particulars have already been published as to the acceptance of the Bowater plan by the bondholders' protective committee. In essence it assures the raising of sufficient capital to carry on operations and full coverage of the bondholders' interest except that the bondholders may have to wait a short time before receiving full interest payments in cash.

The manner in which the creditors and stockholders fare under the plan is outlined in a memorandum submitted to Hon. Gordon Scott, trustee-in-bankruptcy for the company.

Incorporate New Company

The plan provides for the incorporation of a new company which will take over substantially all the assets of Price Bros. and Co., together with provision for the investment of $5,000,000 of new company in the enterprise.

The bondholders' position has already been outlined. Privileged claims totalling about $3,500,000, including bank advances, will be paid in full by the new company.

Unsecured Creditors Status

Unsecured creditors of the old company will have made available to them $250,000 in cash. The new company will give the unsecured creditors the right to use the whole or part of their dividend in purchasing at $1.25 per share redeemable preferred shares of no par value of the new company having a preference as to principal of $5 a share, entitled to non-cumulative dividends at the rate of 30 cents a share per annum and carrying a sinking fund of 10 per cent of dividends from time to time paid upon the common shares.

Wipe Out Stockholders

The preferred stock in the old company is wiped out but holders are given the right to purchase 1¼ share-debenture units of the new company at $10 per unit in respect of each old preferred share held.

The old common stock also is wiped out, but the holders are given the right to purchase at the same price per unit of one share-debenture unit in respect of every 20 shares of common stock held by them.

The share-debenture units, comprising one debenture of the par value of $10 each and one share of no par value common stock are inseparable until otherwise decided by a majority in value of the outstanding share-debenture units.

Same as Syndicate

The price at which the units will be offered to the preferred and common shareholders is said to be the same as that at which they will be subscribed for by Bowater's Paper Mills and their associates, namely, $10 per unit.

Obstacles in Path

Many obstacles have to be overcome before control of Price Bros. and Co. passes to the Bowater syndicate. Not the least will be the satisfying of the junior security holders. Ordinarily this would not be a matter of import with the company in receivership. The secured creditors are being taken care of, while the unsecured creditors are offered roughly 25 cents on the dollars.

The unsecured creditors and the stockholders ordinarily would not be in a position to block the plan of reorganization. In the present instance, however, many holders of the bonds are also holders of either the preferred or common stock. In certain instances the stockholdings cost more originally than did the bonds.

Need Bond Approval

In order to ratify the proposed deal it will be necessary to secure approval of 75 per cent of the par value of the outstanding bonds. While the committee has not made public the final amount of proxies deposited it is generally understood that only sufficient bonds were deposited with the committee to secure a majority.

The withdrawal of any fair size block of bonds from the committee would make it difficult to secure sufficient bonds to vote approval, as the greatest trouble was experienced in securing a bare majority.

Holders of both the bonds and stocks have not given any indication as yet as to the manner in which they regard the scheme. The bondholders' committee has not officially advised the holders of the senior security of the terms of the offer. Until that time matters will likely be held in abeyance.

Unit Overcomes Ruling

From the accompanying list it will be noted that some of the insurance companies hold both the bonds and stocks of Price Bros. and Co. Under the ruling of the federal insurance department, these companies cannot invest in non-dividend paying stocks. They can, on the other hand, purchase debenture or mortgages even through not paying interest.

In the setting up of a share-debenture unit, those back of the Bowater plan have provided for this contingency in that the insurance companies, who hold stock and desire to acquire some of the new securities, can buy the common stock with the debentures.

Is 116 Years Old

Price Bros. and Co. was established 116 years ago, when the original William Price contracted to cut spars for the British navy. Lumbering operations expanded. Then and later the Price's acquired vast areas of timber limits in the Saguenay area. Not until the turn of this century did the company start on a programme which was to consolidate its place as a major lumber operator, but also as a water power producer and manufacturer of pulp and paper. This plan for the greater utilization of the company's rich resources was conceived and initiated by the late Sir William Price, who met an untimely death in a landslide at Riverbend about seven years ago.

Had Extensive Organization

Completion of the expansion programme a few years back saw the company in control of nearly 10,000 square miles of timber limits; newsprint and board mills with a capacity of about 1,125 tons daily; sawmills capable of producing annually about 60,000,000 ft. b.m. of lumber, 42,000,000 shingles and 13,000,000 laths. In addition, Price Bros. had developed water powers totalling over 60,000 h.p.; owned approximately 8 per cent stock interest in the Duke, Price Power Co., controlling interest in the Donnacona Paper Co., half interest in the Quebec Pulp and Paper Corp., and large blocks of stock in the Aluminum Co. of America and Aluminium Ltd.

Its securities were rated as high class investments. The credit of the company was excellent. Public investment interest in the enterprise was limited, for the Price Family held control of the stock.

Toward the end of 1931 there were rumors that the company's finances were not as sound as they might be. In the early part of last year it became known publicly that the company was in bad shape. In his report to the shareholders a year ago last April, the president pointed out that the balance sheet and auditor's report referred to certain advances made by the company to a shareholder. These advances were made to the Quebec Investment Co. (a private investment trust of the Price Family) without the knowledge of certain directors of the company, who protested against them as soon as they became aware of them. These advances, of doubtful value, seriously impaired the company's working capital position, which reflected itself in large bank loans.

Efforts were made to strengthen the position of the company. Lord Beaverbrook took a hand in the company's affairs. He put forward a reorganization plan in June, 1932. At the end of July he withdrew his plan, owing to non-support from several of the larger security holders and creditors.

Efforts made by the company to pay bond interest were unsuccessful and on July 30, 1932, the company announced that it would have to default.

Bondholders Form Board

In the latter part of August, a bondholders' Protective Committee was formed, the members being: Ross H. McMaster, Montreal; Thomas Bradshaw, Toronto; Hon. John Hall Kelly, Quebec; James A. Eccles, Montreal; W. Eugene McGregor, Boston; and Murray W. Dodge, New York.

On October 31, the company went into default as the period of grace had passed without the company being able to put up the necessary funds to meet interest on the first mortgage bonds.

Considerable trouble was experienced by the committee in securing sufficient proxies to permit it to act for the bondholders. Meanwhile, at the beginning of April, the company was declared bankrupt on the petition of Duke, Price Power Co., one of the company's large creditors. Hon. Gordon Scott was appointed guardian.

At the end of September, 1932, the date of the last official financial statement, Price Bros. and Co. had outstanding $6,313,000 of current liabilities; $150,000 loan from the Aluminium Ltd.; $11,061,600 of first mortgage bonds; $6,284,300 of preferred stock and $42,683,200 of common stock.

Five Years of Decline

In less than five years the fortunes of this company have tumbled down from a height where its securities were looked upon as the soundest investment in Canada to a point where a reorganizaiton places their value at nought.

The high regard in which the company and its securities were held in the London, New York, Montreal and other markets can be readily appreciated by a glance at the names of those who hold the company's bonds, preferred and common stocks.

Many Hold Securities

Eleven of Canada's leading life insurance companies hold nearly $1,750,000 of the company bonds. Sun Life, Canada Life, Manufacturers Life and Mutual Life are some of the institutions which subscribed to the bonds.

Among the stockholders are names well-known in the United States, Great Britain and Canada. Lord Beaverbrook, owner of the Daily Express of London is one of the large common shareholders. Various members of the Price family, including Sir Keith Price, of London, Eng., are recorded as owning the common stock. Other stockholders of public interest are the Sun Life Assurance Co., Sir Herbert Holt, Hon. J. M. Wilson, A. Sidney Dawes, A. Hamilton Gault, Kitcat and Aitken and Lord Hargreave. Among the larger preferred shareholders are the Sun Life, Kitcat and Aitken, Canada Life, Prudential Trust, etc.

Many Prominent Holders

Following are three lists showing the names of the Canadian insurance companies holding Price Bros.' bonds; the general shareholders list covering the preferred and common stocks. A complete list of bondholders is not publicly available.

The lists of stockholders should be properly interpreted. It will be noticed that a number of stockholders are large holders. These shares belong to the clients of the stockbrokers but are registered in the name of the broker.

Bankmont and Co. is reported to be one of the Bank of Montreal investment common holding companies.

The large block of common stock in the name of Austin and Tessier is generally understood to nominees of the Royal Bank of Canada, the stock in question having been deposited as collateral against loans.

Aside from these special cases, however, it will be noted that investment interest in the enterprise is widespread and the wiping out of the junior equities affects many investors in several countries.

Price Bros.' Bonds Held by Insurance Firms

	Par Value
Canada Life	$300,000
Confederation Life	130,000
Excelsior Life	100,000
Great West Life	110,000
Imperial Life	100,000
Manufacturers Life	200,000
Maritime Life	5,000
Mutual Life	159,000
North American Life	219,000
Standard Life	25,000
Sun Life	405,000

Principal Preferred Shareholders of Price Bros.

	Par Value
Kitcat and Aitken, London	$955,600
Stocken and Concanon, London	40,000
Wonhan, Albert and Co., London	80,000
Bankmont & Co., Montreal	49,600
Canada Life Assurance	100,000
Canadian Timber Securities, Ltd.	800,000
George Caverhill, Montreal	100,000
Confederation Life	50,000
Mrs Gwendolen M. duMaurier, London	46,500
T. Eaton Life Assurance Company, Toronto	20,000
English Assoc. of American Bond and Share Holders, London	135,200
Francis R. Gibbins, New York	50,000
Glenmore Securities Inc., Montreal	30,000
Imperial Life	50,000
Montreal Trust (in trust)	30,600
J. M. McCarthy, Quebec	58,500
Mrs. Helen M. Price, Quebec	63,300
Prudential Trust	250,000
Quebec Investment Company	40,600
Robert W. Redford & W. H. Clark, Montreal	61,000
Scottish Temperance and General Association	50,000
Sun Life Assurance	618,000

Principal Common Shareholders of Price Bros.

	Par Value
Thomas Gordon Murray and Edwin Percy Hunt, London	$100,000
Estate James McCarthy, Montreal	361,500
Kenneth Outwater, New York	54,000
A. J. Price	100,000
A. J. Price, J. H. Price and Leonard Apedaile (in trust)	610,000
Miss Dorothy Price, London	135,500
A. J. Price, J. H. Price and L. Apedaile (in trust)	500,000
H. C. Price	176,600
Sir Herbert Holt	130,000
R. P. Kernan	71,500
Kleinwort Sons & Co., London	185,000
Banque Provinciale	84,000
Mrs. Edith R. MacDougall, Montreal	75,000
Midlothian Investment Co., Montreal	40,000
Miller and Robinson, London	44,000
D T. Moore and Co., New York	425,000
Mrs. Gwendolen M. duMaurier, London	55,500
English Assoc. of American Bond and Share Holders, London	68,000
Mrs. Elizabeth Mary Evans, Westmount	44,000
A. Hamilton Gault, Montreal	50,000
Arthur Gibbs and Co., London	34,500
Great Britain and Canada Investment Corp.	99,000
Halstead and Harrison, New York	57,500
Canadian Timber Securities Ltd., Quebec	1,248,500
Basil B. Carter and W. A. Connery (in trust)	400,400
George A. Coffinberg, New York	50,000
A. Sidney Dawes, Montreal	50,000
William W. Dobell, Montreal	47,500
Herbert L. Austin and Paul Tessier (in trust), Quebec	16,468,900
Bankmont & Company, Montreal	1,999,000
Norman Berkenshaw (in trust) Bank of Nova Scotia	40,500
Mrs. Elizabeth Blair, Montreal	50,000
Canadian Assets Realization Co., Montreal	2,555,500
Lord Hargreave, London	56,000
H. M. Wilson, c/o Price Bros., Quebec	45,000
Hon. J. M. Wilson, Montreal	100,000
Kitcat and Aitken, London	360,500
MacDougall and MacDougall, Montreal	501,600
Pitfield, Mathewson and Co., Montreal	511,800
Schmidt and Co.. c/o Guarantee Trust Co., New York	2,100,000
Stocken and Concanon, London	153,400
W. M. Aitken and Co., Montreal	2,562,500
Akroyd and Smithers, London	62,900
Crouch and Co.. c/o Bank of Montreal, Montreal	415,000
Hansons and Macaulay, Montreal	1,811,000
C. J. Hodgson and Co., Montreal	908,000
J. H. Price (in trust)	500,000
J. H. Price	109,000
Sir Keith W. Price	65,000
Quebec Holdings, Ltd.	101,500
Quebec Investment Co. Ltd.	594,000
Rough Point Investment Corp., Montreal	132,100
Sun Life Assurance Co.	835,900
Estate George H. Thompson, Montreal	250,300
R. Nelson Twedell (in trust)	779,300

Price Bros. New Set-Up Under Bowater Scheme

OLD COMPANY	SECURITY	BOWATER PLAN
$11,061,600	6% First Mortgage Bonds (Principal and 12% for Interest Arrears)	$13,273,920
6,284,300	6½% Cum. Preferred Stock	Wiped out
42,683,200	Common Stock	Wiped out
..	Non-Cum. Preferred Stock 5%—Par $5 200,000 shares offered to non-secured creditors at $1.25 a share.	$1,000,000
..	6% Debentures—Par value $10 each 78,554 shares offered to old preferred shareholders on basis of 1¼ shares for each share held. 21,342 shares offered to old common shareholders on basis of 1 share for each 20 shares held. 400,104 shares to be taken up by syndicate.	$5,000,000
	Common Stock—N.P.V. 78,554 shares offered to old preferred shareholders on basis of units of one share common and one debenture at $10 each. 21,342 shares offered to old common shareholders on basis of units of one share common and one debenture at $10 each. 400,104 shares to be taken up by Bowater syndicate on basis of units of one share common and one debenture at $10 each.	500,000 shs

HOW CONTROLLING EQUITY IS DIVIDED UNDER BOWATER PLAN

(On basis that old preferred and common shareholders subscribe in full for new securities)

	Per cent
Old Preferred Shareholders	15.75
Old Common Shareholders	4.25
Bowater Syndicate	80.00

Must the Wages of Capital be Cut to Speed Recovery?

Economists and Financial Authorities Agree that Lower Interest Rates will Aid Business Turn

Will interest, the wages of capital, have to take a cut?

Already, through default, the net return on some capital has been reduced. The wages of labor and the salaries of earners have been cut. So have other costs, including even rents which are relatively inflexible.

It has been strongly argued by authorities that a more general reduction in interest rates would lighten the burdens of debtors, increased beyond capacity to pay by the rise in the dollar's purchasing power. It is contended that reduction of the wages of capital would allow production of goods at prices more in line with the reduced wages of purchasers, such as farmers, whose incomes have dropped sharply. Business enterprise would be encouraged to borrow more and buy more, if money were less costly, it is claimed.

Rents and construction costs would tend to come down in line with the fall of other goods and services, if interest rates were materially lower, economists believe. Thus, it is claimed that lower rates would be a boon to heavy industries which are large labor users and which have been the most severely depressed of all.

Agreement on Disequilibrium

On all sides it is agreed that the present economic difficulties in this country and in the world are due largely to a disequilibrium between various sets of prices and rigid obligations such as taxes, rents and interest charges. Even if prices rise, raw commodity prices most, wholesale prices in lesser degree, and retail prices still less, such economists as Sir Arthur Salter visualize a need for reduction of the rigid items in our economy as a contribution to establishment of a new equilibrium.

The fall of prices, while debts, interest and taxes have remained stationary, or have even risen, has made the problem of adjusting fixed obligations increasingly pressing. In Australia the situation became so acute that interest rates on all internal bonds, debentures and other fixed obligations were more or less forcibly reduced. Great Britain and Canada, and now the United States, have undertaken conversion loan operations to reduce fixed interest costs. But has this gone the limit yet? Where is the relief for private debtors, mortgagors, municipalities, provinces, lessees? Authorities agree in many cases that adjustment of the interest and perhaps the principal debt burdens of these classes must come, with either voluntary or involuntary acceptance by creditors.

The problem is largely one of interest rates. On such are built the foundations of rentals, and to some extent taxation, according to accredited economists. Since other costs have been cut, in an obligatory effort to match the fall of prices in recent years, will interest, the wages of capital, have to be reduced?

The answer is definitely yes, according to numerous authorities whose views have been collected by The Financial Post as an introduction to discussions of this question.

View of Investment Banking Chieftain

Speaking recently, Ward C. Pitfield, president of the Investment Bankers' Association of Canada said:

"The . . . prime necessity is the substantial extension of additional credit at reduced interest rates. That the credit is available is demonstrated by the extremely liquid position of our chartered banks. I am quite ready to admit that reckless lending to unsound enterprise is absurd. . . . With lower interest rates, however, sound Canadian enterprise might easily see its way clear to profitable business expansion.

"There should also perhaps be national action toward the unfreezing of the mortgage situation, which, as it stands today, is an insurmountable obstacle to business activity, particularly in the building trades, which trades are among the largest employers of labor."

A leading Canadian financier states in a letter to The Financial Post:

"It appears to me so very obvious that bank, bond, and debenture interest must come down, in line with other overhead items entering into manufacturing and operating costs. Yet banks and mortgage companies seem to cling to the old-fashioned banker's idea that they are a privileged class and should not take their share of world burdens these days, except involuntarily.

"Unless business continues its upward trend, and unless some voluntary action is taken by bank and mortgage lenders to bring the interest burden down, then it is frankly my opinion that sooner or later we will face what Australia faced so courageously when they imposed upon themselves a 22½ per cent reduction in the coupon rates on all bonds, debentures and preferred shares payable internally in Australia."

Insurance Executive Sees Lower Rates

Backing up these sentiments, a president of one of the Canadian life insurance companies, all of which are large lenders, in substance told The Financial Post:

"My own private view is that interest rates must come down. The debt burden of governments and municipalities, I think, is in many cases more than their taxpayers can bear. And I think private debtors must be relieved by lowering interest rates.

"There are two ways of lightening the debt burden; first, by reducing interest rates, second, by writing down principal of debts. In some cases principal will have to be written down. In order to do this it may ultimately mean that practically all classes of creditors will have to accept less.

"I think it would be unfortunate if debtors were to be crushed by failure of creditors to relieve the burden of debt. I think it would be better to face the situation now.

"Australia, in my opinion, deserves a good deal of credit for what was done there. They reduced interest on the internal funded debts substantially. Subsequently one of the largest mortgage lenders in Australia, the Australian Mutual Provident Society, voluntarily reduced mortgage interest, more or less forcing others to do the same.

Municipal Debt Burdens Too Heavy

"In one of the largest cities of Canada I think I see now that taxpayers are faced with levies which are beyond their capacity to pay. This city has stood up very well. But now some taxpayers who have always paid on the dot are having difficulties. And yet a substantial part of the municipality's debt carries only four or 4½ per cent interest.

"If you were to ask me what rate I thought would be a reasonable one for a high-grade, long-term loan now, I think 3½ per cent would probably be a fair rate. But I don't think investors could take less.

"Already some reduction has taken place in interest on institutional investments. Due to defaults, the effective yield on municipal bonds held by insurance companies has probably dropped about one-half of one per cent; on mortgages perhaps about one per cent."

"You do not favor price raising policies, then?" The Post asked.

"I do not," was the firm reply.

Further Agreement Alleged

Coming from the creditor side, this viewpoint is significant of widespread recognition of the present augmented burdens of debtors. Commenting on the viewpoint of some large institutional lenders, another Canadian financier expressed the opinion to The Financial Post that they must hold the same view as the foregoing, in private if not in public.

One of Canada's foremost economists, Professor Gilbert E. Jackson, director of studies in Commerce and Finance at the University of Toronto, agrees with the views of the financiers quoted above. To the general question: "Would lower interest rates for long-term money be beneficial to Canada at present?" he replied:

"I think it would be unquestionably to our advantage if long term interest rates in this country could be reduced more nearly proportionately to reductions in other costs. Since interest is one of the major costs of the construction industry, lower long-term rates could contribute much to increased activity in this field."

And this point of view is shared by most leading economists. Whether it is practicable in Canada to take steps to create low long-term rates is another matter, however, which will require further discussion in The Financial Post.

Industries' And Debtors' Views

One of Canada's leading industrialists, another of the creditor class, but primarily interested in a capital goods industry, suggests that capital must sacrifice something along with other sections of the community:

"I do not think that it will be appropriate to cut down gold parity unduly because I think the contribution of capital to the necessities of the present situation in respect to debt will be the acceptance of a low rate of interest rather than a cancellation of capital. I believe that reduction in the interest burden will contribute the greatest help to support the heavy load of taxation under which all peoples are groaning."

Heads of construction industries, which economists state depend largely on low long-term money rates for their activity, agree nearly unanimously that lower interest rates are desirable and even essential.

To get the viewpoint of municipal debtors, The Financial Post called on the Commissioner of Finance of the city of Toronto, George Wilson, who has had many years of experience in commercial banking and practical finance. Said he:

"There is no doubt that the whole trend of money rates is downward. World resumption of a gold standard on a devalued basis would increase the credit basis so that the potentially greater supply of money should make for lower rates.

"There is no doubt that lower interest rates would tend to reduce the debt burden and taxes. Capital must realize that this contribution is necessary in present circumstances.

"The mother country was one of the first to take the lead in reducing rates by its successful appeal for conversion of its huge five per cent war loan into 3½ per cent securities. Do you suppose that Britain would make such a move, if it were not thought certain that the low rates could be maintained, and the faith of investors retained? Over there they have a great deal more experience in such matters than financiers have on this continent, and they take it as a matter of course."

Government Favors Low Rates

The largest Canadian debtor is the Dominion Government. So it is hardly surprising that its ministers should advocate lowering interest rates. Hon. H. H. Stevens, Federal Minister of Trade and Commerce, recently told the Montreal chapter of the Society of Chartered Accountants and Industrial Engineers:

"Interest rates affect everybody, but in my opinion everything conceivable ought to be done in this country to bring down the general rate of interest upon enterprise. . . . The skilled minds in this country . . . ought to keep constantly in mind that while in times of buoyancy or extravagance men may pay six, eight or ten per cent for money, this cannot be considered either a justifiable or normal condition, and the interest rates ought to be gradually lowered.

"I am not going to say what they should be, but I will say this, that rates around 3½ per cent on bonds ought to be attractive rates, that rates of around five per cent for the normal small house loan in the country ought to be a normal rate; and . . . I do not think any farmer can pay eight per cent out of the ordinary farming operations that are carried on in this or any other country."

Bankers Oppose Deposit Rate Cut

It could hardly be considered remarkable that some of the representatives of debtors quoted in the foregoing are in favor of lowering interest rates in Canada. The apparent unanimity among financiers is perhaps somewhat misleading, because a number of creditors are not converted to a belief in low money rates for certain purposes. For instance, one of the foremost bankers in the Canadian picture does not feel that another reduction in the rate of interest paid on bank deposits would be advisable at present. And a number of life insurance officers would at least not admit publicly that they see an inevitable development of a lower interest rate structure if the general price level remains at its present low level.

The argument of bankers against lower rates in recent months has been that the cost of commercial loans is a small part of total costs. On the other hand they contend that a further reduction in interest on deposits might result in undesirable transfer of savings into other forms of investment. But this important question and others in this far-reaching matter of interest rates must await discussion in later articles.

The Tide of Things

A Department of Independent Comment on Society and Politics

By WILLIAM HENRY MOORE

Public Works in B. C.

SEARCHING the thick political controversy of British Columbia for a prime cause of the Government's collapse, a visitor may well fall upon public works. The native sons and old-timers may assert that the Government came to grief through cutting down agricultural estimates, or skimping the grants for education, or starving some other "essential service," but obviously those things are secondary. When the last bone had been given to the builder the cupboard was bare, and those who came later got none.

* * *

ACCEPTING public works as the source from which flow the major B. C. ills, the advocacy of the hustings becomes the more difficult to understand. At first sight, Liberal contention makes the matter very simple. Mr. Pattullo and his followers put the blame on the political patronage and waste that went with the public works. The case is presumably a strong one for it is practically undefended. In fact, several of Dr. Tolmie's ministers have joined the Independents, whose stock in political trade is largely made up of denouncing political patronage. But the Independents go further than Mr. Pattullo, they denounce all party patronage, in fact, they denounce party government; they assert that switching Conservative ministers for Liberal ministers, or even switching contractors, is no solution at all. The Independents propose a new brand of government in the shape of men who, free from party entanglements, shall go to the legislature to choose a ministry. Dugald Donaghy who, some years ago, was a minister in a Liberal provincial administration, and later on, a Liberal member at Ottawa, makes out an attractive case for a non-partisan government. The hustings' effort of those who, only a few hours ago, warmed the treasury benches is regarded by the public as a "sharing," or confession of things that should not have been, with a disposition to forgive, but not forget right away.

THE proposal for non-partisan Government has merit. During the war something of the sort was proposed and elaborated for the United Kingdom, But the visitor is apt to pass it by in an enquiry as to how a province that got into trouble by an expansion of public works is to get out of it by more public works. And Mr. Pattullo has pledged himself and all his candidates to an extensive programme of "work and wages," while every other candidate appears to have thought of something that ought to be built at the public expense.

Providence, or whoever assigns land and rocks and water to peoples, opened both hands when it came to the share of the British Columbians. The visitor is not inclined to find fault with them when they try to keep up with Providence, he is more apt to pick out a site with a view of the Gulf of Georgia and dream about finding the money to build a house. That is the rub—money, at least, the private rub, for, when it comes to public expenditure, the thing is called credit and is supposed to appear at the command of legislatures. While Dr. Tolmie's government, or another, was building those highways that wind through valleys and climb mountains and cross canyons, the Government was probably popular. While those magnificent buildings that house public servants in towns and cities were in course of erection there was work for all and times were good.

* * *

THE story of public works has been written in many lands. Its first chapters are invariably pleasing. If the works pay their way, the story is pleasing to the end; if the works do not pay their way, when the workmen are discharged, and the interest falls due, and the maintenance charges begin, it is unnecessary to inject a plot of political patronage to ensure a dismal ending. British Columbia already has many public works with only 600,000 people and still fewer taxpayers. But that is only a visitor's opinion.

War on Waste

Members of the Ontario legislative assembly spent $1,414.40 of Ontario taxpayers' money on pictures of themselves, according to the public accounts of the province for the year ended Oct. 31, 1932. Here's how it appears in the accounts:

Leatherdale Studios, photos of members	$ 687
National Publishing Syndicate, pictures for members	300
W. E. Phillips Co. Ltd., framing pictures for members	427
	$1,414

In War on Waste it is not intended to stress only the small items of governmental extravagance. This particular waste, however, is noteworthy in that it could nearly all be saved. There is no question of whether or not part of this photographic service to the taxpayers can be cut out.

Members of the provincial legislature are paid to serve the province. If their association with fellow partisans and opponents is so happy that it need be commemorated for posterity, the members should pay the cost themselves. If photographs are not esteemed sufficiently to cause members to pay for them, why should the taxpayers supply the necessary? In this case it amounted to $12.62 for each member.

Farm Wages Higher in U. S. Labor Supply Diminished

Farm wages in the United States rose more than seasonally in the third quarter of the current year, and the index of the Bureau of Agricultural Economics, which indicates the general level of farm wages, was 86 as at October 1, which compares with 78 on July 1 and 84 on October 1, 1932.

Supply of farm hands on October 1, was 111.4 per cent of normal compared with 116.2 per cent on July 1, and 123.6 per cent on October 1, 1932. Demand for farm hands on October 1 was 68.1 per cent of normal compared with 65.6 per cent on July 1 and 60.5 per cent on October 1, 1932. Industrial re-employment and higher basic wage rates in industry are believed to have attracted men temporarily employed on farms back into industrial occupations and the oversupply of workers available for higher and rural communities has, therefore, been reduced.

Ratio of prices of farm products to farm wages was 81 per cent of pre-war on October 1 compared with 97 per cent on July 1 and 67 per cent on October 1, 1932.

Hold Over Rate Increase on Crude Oil Shipments

From Our Own Correspondent

REGINA.—Increased crude oil rates from Southwestern United States to Canada have been held in abeyance according to information reaching Regina. They were to have been made effective in November. The rates were designed to allow oil companies reshipping 65 per cent of the refined product by rail. As smaller companies do not ship any of their refined oil by rail, their business being largely local, it would affect them. The rate would have increased the Saskatchewan tariff from something over 40 cents to about 65 cents per hundred pounds.

Record Footwear Output

Production of leather footwear in August was the largest recorded for any month in the records, says a report of the Dominion Bureau of Statistics. The output was 2,237,179 pairs, an increase of 262,312 pairs over the preceding month, and 528,820 pairs more than in the corresponding month of last year, says the report.

Want Auto Licenses Renewed in Spring

From Our Own Correspondent

REGINA.—A movement is on foot, backed by business men, to have the Provincial Government change the date for renewing auto licenses from Jan. 1 to April 1 of each year. Twenty thousand cars are stored during cold weather, it is estimated. Business men maintain the Government would obtain an increased gasoline tax revenue and that garage and service stations would have greater revenue. It is also figured that gasoline consumption would increase possibly 2,000,000 gallons.

Retail Advertising Shows Increase in Saskatchewan

From Our Own Correspondent

REGINA.—A survey of daily newspaper advertising in Saskatchewan reveals an increase in retail advertising but no change in general advertising. Special advertising drives for business in the dailies and also many country weeklies have resulted in increased business. As the result of a good crop in the Regina district fall purchases by farmers have been heavier. Departmental store lineage has increased.

Grain and Milling in Canada

Wheat

From Our Grain Correspondent

U. S. Dumping Depresses Market

THE attempt of the United States to fill its allotted quota of wheat exports under the London wheat agreement, fixed at 42,000,000 bushels, through subsidized exports of wheat from the Pacific Coast has become one of the major depressing influences currently at work in the international wheat market. The Agricultural Adjustment Administration has been going rapidly ahead with its plans, and has completed contracts with growers and millers of wheat in Oregon and Washington, and with a number of export firms.

Growers have signed contracts to reduce wheat acreage for next year to the extent of 15 per cent, in return for bonus payments. Millers have undertaken to mill wheat for subsidized export on a fixed margin. Exporters are to sell both wheat and flour abroad, buying them on the basis of the local market price, and selling for what they will bring, while the administration undertakes to pay them promptly the extent of their losses.

The wheat produced in the Pacific Northwest is a high quality soft white wheat. It has a limited market in the United States for biscuit and pastry use, but its principal outlet in the past has been the sale of flour to China. That market has been lost, to some extent by the development of the Chinese milling industry, and more by the development of Australian trade with China. Unlike most other wheat areas in the United States the Pacific Northwest had a good crop this year, and on top of carryovers from previous years, has created a practically unsaleable surplus. The continent of Europe, already oversupplied with this type of wheat, wants none of it, and possibilities of sale in Great Britain are extremely limited.

* * *

No New Outlet Found

THE Agricultural Adjustment Administration in the United States, in announcing its plans for the subsidized export of this wheat declares an intention to market it without disturbing international markets, apparently implying that some new outlet for it would be found. Actually nothing of the kind appears to have been attempted, to say nothing of the practicability of such an idea, and the exporting firms are essentially engaged in trying to take the Chinese market away from Australia, by steady underbidding. Naturally that has its repercussions elsewhere, and has had something to do with the pressure of sales from Australia in the British market.

The exporters with whom the United States Government has contracted are firms engaged in the distribution of wheat and flour throughout the world, and their offers in other markets appear to have been based on the possibility of attempting to force this dumped wheat into other channels as well, such as Egyptian and Greek markets, where there is some possibility of the sale of such wheat and flour.

U. S. A. FARMERS PAYING OWN BONUS

Originally Intention of Wheat Processing Tax is Upset

That the wheat processing tax of thirty cents a bushel in the United States is being paid by wheat farmers instead of by flour consumers, as was the original intention, is the conclusion of some observers in the United States.

This has to be paid on every bushel of wheat milled into flour, except such wheat as producers get milled for their own use, and the amount is added by the miller to his sale price for flour. It has been calculated to mean about $1.40 per barrel of flour, and about half a cent on every loaf of bread. Its proceeds are to be distributed to farmers as a bonus for reducing their wheat acreage in accordance with the plans of the Department of Agriculture.

Was to Net $125,000,000

It was taken for granted, when Congress was induced to provide for this tax that some $125,000,000 would be transferred by its operation from the pockets of bread consumers to those of farmers. But the decline in wheat prices since the tax became effective suggests that the consumer has greater powers of resistance to such a transfer than had been supposed.

It appears that perhaps after all the consumer is paying for flour and wheat only about what he would have paid in any event, and when 30 cents a bushel is added to prevailing prices of wheat in Chicago, that appears to represent a pretty fair price. The producer, on the other hand is getting on the market 30 cents a bushel less than the rate the consumer is paying, and the remainder he can only get to the extent that he participates in the acreage reduction bonus.

If that is the case the farmer is really paying his own bonus. Even, of course, if the legislation misses one objective, that of transferring funds from consumers to farmers, it is still capable of realizing its other objective, that of securing a reduction in acreage seeded to wheat.

PLAN NO LAW TO RESTRICT '34 ACREAGE

Definite Conclusion Reached By Conference at Regina Last Week

MANY OTHER IDEAS

Sales Quota Plans and Other Suggestions Left Open Further Study By Provinces

From Our Own Correspondent

REGINA.—No legislation is to be attempted restricting the rights of Prairie farmers to seed wheat in 1934. That was the single definite conclusion reached at the meeting in Regina last week between Prime Minister Bennett and representatives of the Prairie Governments, Premier Bracken of Manitoba, Premier Anderson and Provincial Treasurer McPherson, of Saskatchewan, and Hon. G. Hoadley, Minister of Agriculture, for Alberta. Each province, however, is committed to studying proposals for legislation that might be desirable in view of the London Wheat Agreement.

Official information on the intergovernmental conference was limited to the above, but it is understood that the proposals to be studied are those which are being urged by heads of the western pools for the establishment of a maximum quota of wheat sales for every farmer in Western Canada.

Bennett Was Hopeful

It is believed that Prime Minister Bennett came west with the idea that something definite toward limiting production might be accomplished. The official support given by the Prairie Governments to the idea of limiting production of exports at the London Conference had seemed to promise that the west was prepared for definite steps toward restricting acreage. From each of the provinces, however, it was reported that farmers would probably not accept any law restricting the right to seed such acreage as might be desired. There were grave doubts as to whether any western government could get such legislation passed, even if it desired to do so.

What Premier Bennett desired was a restricted production next year. His public addresses in the west stressed, not the importance of the export limitations of the London Wheat Agreement, but the cutting down of actual supplies, a "reduction of inventory" of which he repeatedly spoke.

Tackling Carryover

To accomplish that reduction of inventory was, in other words, the cutting down of the Canadian carryover, which would imply very much greater reduction in production than a 15 per cent cut from nominal. But sale of the carryover, which is essentially in Government hands, is apparently causing more worry to the Government than to official western spokesmen who assume the Government must continue to carry the carryover while leaving farmers free to sell the new wheat as produced.

With legal restriction of acreage out of the question, other ideas have been urged on the Government. One is to make a direct propagandist appeal to the west for every farmer to cut down wheat acreage and declare that only if the farmers will do that will the Government be able to continue to support the wheat market.

Grasshoppers May Decide

Other advice was to leave the question of production alone until 1934. In support of this idea it is urged that the west is likely to have both a reduction of acreage and a comparatively small crop in 1934.

So heavy is the infestation of grasshopper eggs throughout a large part of Saskatchewan that great damage is felt to be almost inevitable, no matter what weather conditions are next year, or no matter how vigorous is the campaign conducted against grasshoppers. There is likely to be a large switch from wheat to coarse grains in areas where feed supplies have been short this year, and a natural decrease in total seeded acreage because farmers lack equipment and seed to put in their normal acreage. Also many acres will be left in fallow as part of the fight against grasshoppers.

Discuss Sales Quota

If Mr. Bennett was disappointed with the lack of enthusiasm for legal restriction of acreage, the Saskatchewan Pool was also disappointed in being unable to arouse the P. M.'s enthusiasm for a plan of allotting an individual sales quota to each farmer.

While its advocates insist that in time it would lead to lessened production of wheat, as a farmer finding that his production had run ahead of the possibilities of sale, would be likely to cut down production, its opponents claim that its immediate effects would be the reverse of those desired. Farmers in anticipation of such a scheme being introduced, would be inclined to sell every possible bushel, getting rid of all reserves, and thus putting an extra burden on the market. At the same time they might for the immediate present, increase their efforts at production in the hope of maintaining as favorable a position as possible in the future. Its main fault, from the standpoint of the Dominion Government is that it does not promise immediate reduction of production.

Legislation Doubtful

There is some doubt here as to whether the legislatures of Alberta and Manitoba could be induced to pass bills for such a scheme. It is conceded, however, that the combined political strength of the Saskatchewan Wheat Pool and of the Canadian Co-operative Federation would probably be able to force such a bill through in Saskatchewan. That is, unless the practical difficulties of working it out could be first exposed, because these are actually much greater in Saskatchewan than in the other provinces.

In the south, there has been low production, frequently to the extent of complete failures, during the past five years, and farmers there do not feel that they have contributed in any way to the production of a wheat surplus. If they are fortunate enough to have a crop next year, they will want the right to sell it. The north, on the whole, has had good crops, and to provide for a real reduction in total marketing, and for increased sales in the south, the north would have to accept a very considerable reduction from its marketings of recent years. But the northern farmer claims that he needs the bigger yields he gets in order to offset the lower grade of his grain, which usually results, and his greater freight costs as compared with the farmers of the south.

Some supporters of the present Provincial Government are convinced that any attempt to administer such a plan would mean political destruction. They point out its great advantage to the C. C. F. party, with its programme of a planned national economy, and suggest that farmers who found the restrictions of a planned economy applied to them would be eager to see similar restrictions placed on the rest of the counry. Political experts are weighing the advantages of falling in with the programme of the wheat pool directorate against the dangers of offending the farmer on the land.

Saskatchewan Keenest

There is believed to be much less enthusiasm in Alberta and Manitoba for the individual quota plan. In fact Saskatchewan proponents of the idea are inclined to regard Alberta's present insistence on a Dominion Board as sidestepping the issue. The Saskatchewan plan envisages the setting up of a single agency which should control the handling and the sale of all western wheat, but the present is considered a favorable time to build from the ground up, by first getting farmers' deliveries under control.

Incidentally, it is understood here that the Wheat Board idea is not at present favored by the Dominion Government, which is presumed to be much more concerned with extricating itself from its present market commitments, than anxious to incur fresh liabilities. If established, such a board would transfer from the grain market to the Government the farmer's displeasure at the low price of grain.

U.S. Inflation Measures Affect Wheat Indirectly

Winnipeg Price Level Depends More on Relation to Sterling Than Upon U. S. Dollar Movement

From Our Own Correspondent

WINNIPEG.—Much discussion is currently indulged in as to the possible effect upon the price of wheat here and in the U. S. A., of inflation of currency in that country. The pressure from agricultural interests in the United States for inflation indicates an opinion that it ought to favorably affect the farmers by increasing farm commodity prices, and there seems to be an idea in Canada that an increase in United States wheat prices so based, might be reflected in this country.

Examination shows that there is no reason for an increase in United States wheat prices, whether based on inflation or otherwise, to affect directly Canadian prices of wheat. An indirect effect, however, is highly probable through a shift in the value of U. S. and Canadian dollars.

U. S. Prices Aloof

Wheat prices in the United States are related only slightly to prices in other markets. They seem likely to remain for some time, and if another small harvest is reaped next year, they may remain indefinitely, above world levels.

They can rise above world levels only to the extent that United States duties prevent imports, but that is the only point of necessary relation to wheat prices in foreign markets. The external valuation of the United States dollar is not therefore a factor in determining wheat prices. The exact contrary, of course, is true in Canada, because prices here are largely a translation into Canadian funds of prices prevailing in world markets, and our prices tend to rise or to fall with every variation in the external value of the Canadian dollar.

If inflation, therefore, reduces the external, or gold valuation of the U. S. dollar, that will not in itself result in increased wheat prices within the United States. The first prices to be affected by such a move would be of products freely imported into, or exported from the United States, such as coffee, tea silver, copper and rubber.

Wheat Slow to React

The only way in which inflation can affect the price of wheat in the United States is by changing the price level at which farmers are free sellers of sufficient wheat to satisfy the daily needs of the market, or the level at which consumers are able to absorb practically the same quantities as at present. Ultimately, halving the value of the dollar might be expected to double all prices within the country. But the effect on some prices would be slower than that on others, and there appears to be no reason to believe that wheat prices would be among those first favorably affected.

Indeed, it is doubtful if the value of the dollar could decline rapidly enough to effect the doubling of the wheat price during the current year. Every rise in nominal prices would tempt more and more farmers to sell wheat, and the only check to this impulse would be the discovery that money received would not go so far as formerly in making purchases.

Relation to Sterling

It seems probable therefore, that while inflation might advance wheat prices in the United States, it would advance them more slowly and to smaller extent than many other prices. Consequently the Chicago wheat market does not offer a particularly inviting speculation on the prospect of inflation, nor a particularly safe hedge against its consequences.

United States inflation might tend to reduce still further the gold valuation of the Canadian dollar and of the British pound. But its real effect on the expression of wheat prices in Canadian funds would depend upon the way in which the ratio between sterling and the Canadian dollar might be affected.

British Price Firm

Generally speaking, the higher the value of sterling in Canadian funds, the higher the Canadian price of wheat. Up to the present at least, wheat prices have shown a great deal of stability as expresser in sterling, that is there is a decided tendency for the Britisher to pay the same number of shillings for a bushel of wheat, no matter what the fluctuations in the value of the shilling, and the more the shilling is worth in our money, the more the British price means to us.

Should the effect of United States inflation, as developed through international money markets, be to make sterling fall faster than the Canadian dollar, the effect on wheat prices would be adverse, and it would be favorable only if it were the Canadian dollar which fell the more rapidly.

The whole general effect of currency depreciation in various countries seems to have been adverse to the real price of wheat. It has been easy for us in Canada to see the adverse effect from the fall in sterling, since Great Britain left the gold standard. But in England they are also accustomed to count on currency depreciation in Canada, in Australia and in the Argentine as resulting in cheaper wheat to them, since it lowers the real price, or the price in their currency, at which farmers in these countries are willing to dispose of wheat.

Price Fixing Curbing Sale Of Our Wheat

Between Aug. 1 and Oct. 7, Canada last year (1932) sold just over 2½ times as much wheat as did Australia and the Argentine together, where this year, for the same period, Canada has sold less than the Argentine and Australia together, even though the whole world has taken slightly more wheat this year than it did last year. The figures have been compiled by the Research Department of Searle Grain Co., Winnipeg.

Put in another way, Canada from August 1 to October 7 this year, has sold approximately 19 million, or 32 per cent less than she did last year for the same period, whereas Australia has sold over 3 million, or 23 per cent more than she sold last year, and Argentine 17½ million, or 231 per cent (approximately 2-1/3 times) more than she sold last year.

The explanation for the decrease in Canadian and increase in Australian and Argentine sales may be found in the fact that for the period August 1 to October 7 for 1932, Canadian No. 2 Northern was offered c.i.f. on the Liverpool market at an average of 3 cents a bushel lower than Australian wheat, and ⅛ of a cent lower than Argentine wheat, whereas for the same period, on the average, this present year, Canadian wheat at Liverpool is held at 3½ cents higher than Australian wheat, and 14-1/8 cents higher than Argentine wheat.

In other words, it would appear as though the attempts to hold up the price of Canadian wheat in relationship to the price of competing wheat higher than was the case last year has resulted in greatly decreasing the sales of Canadian wheat, and of greatly increasing the sale of Australian and Argentine wheats.

Important Wheat Trends Summarized By Bureau

Six trends of importance have characterized the world wheat situation in the past four weeks, according to the monthly wheat review of the Dominion Bureau of Statistics. These may be summarized as follows:

(1) A relatively small world movement.

(2) A lessening of exports from southern hemisphere countries.

(3) An improvement in crop prospects in both the Argentine and Australia.

(4) The probability of subsidized exports from the United States.

(5) No significant change in 1933 crop estimates.

(6) A falling price level in the leading grain markets.

Zinc Production Higher

The world's zinc output in July advanced to 95,188 tons, the highest recorded since May, 1931. Zinc stocks in the United States at July 31 amounted to 109,140 tons as compared with 123,924 tons on June 30.

CURRENT OUTLOOK FROM WINNIPEG NOW IMPROVING

South. Hemisphere Position Being Very Closely Watched

From Our Own Correspondent

WINNIPEG. — The Liverpool market has been showing a stronger tone in wheat during the past week, and improved sterling quotations have exaggerated this effect in the Winnipeg market, where in addition there has been a certain quantity of investment buying, tending at times to carry our market out of line.

World wheat shipments last week were more encouraging, the total passing 10,000,000 bushels for the first time in many weeks, with the North American contribution well above 6,000,000 bushels. Black Sea shipments were slightly above 1,500,000 bushels, of which Russia contributed 560,000. This rate of shipment suggests that possibly neither Russia nor Danubian countries will export as much wheat this year as was formerly calculated.

Watching Southern Hemisphere

Liverpool is watching the Southern Hemisphere very closely. Both Australia and Argentine crops are heading out, and unfavorable weather news from either country would be likely to produce a strong effect. In both countries there has been a decided improvement from earlier prospects, but it is not yet established that the harm done by earlier weather conditions has been overcome.

The pressure on the Winnipeg market has become less, as delivery has already been accomplished of a considerable portion of the crop, and winter weather has found a certain portion of northern crops still unthreshed. In other places farmers are holding a fair proportion of their crops on the farm. The market is rapidly approaching the state where farm deliveries will be insufficient to balance weekly shipping and milling requirements.

Government Buying Increased

The Government agency is believed to have added considerable to its holdings during the past two months, but should shortly be able to lessen the burden to some extent. In fact if these holdings some selling size attributed to them some selling will soon be necessary in order to allow export business to proceed.

Seeding conditions are reported to be unsatisfactory in the Danube basin, which may cut down acreage for next year's crop. An unsatisfactory corn harvest is in prospect in Roumania, which may have some effect on European needs for overseas imports of grain.

Continental buyers have been much disturbed by the French financial and political crisis, as well as by prospective developments in the United States exchange situation, and are restricting their commitments to absolute necessities.

LAKE OF WOODS INCOME HIGHER FOR LAST YEAR

Surplus Earnings More Than Double — Balance Sheet Changes

From Our Own Correspondent

MONTREAL.—Lake of the Woods Milling Co.'s earning power during the 12 months ended August 31 last registered an improvement over the preceding year. The balance sheet does not show any material change, but a strengthening will be effected upon approval by the shareholders of a resolution to reduce the book value of certain items which are not backed up by available assets.

Profit on last year's operations, after providing for income taxes, amounted to $636,438 compared with $511,726 in the previous 12 months. Though depreciation charges were slightly higher, the drop in interest charges enabled the company to show a net income of $300,698 compared with $111,369 in the 1932 fiscal year.

Add to Surplus

Details of the income account for the past two years follow:

Year Ended August 31

	1933 $	1932 $
Net earnings	636,438	511,726
Less: Depreciation	125,000	120,000
Interest	210,740	250,148
Surplus	300,698	111,369
Add: Prev. surplus	604,887	536,353
Less: Prop. loss	....	42,834
Carried forward	905,585	604,888

Balance Sheet Same

Consolidated balance of Lake of the Woods as at August 31 last is drawn up to show the position as at that date and with proposed changes as voted upon at the annual meeting this week.

Bank loans and other current accounts do not show material change. Property account is much the same, while current assets record an improvement due to increased inventory values and cash on hand.

Changes Under Plan

Under the proposed write-down of capital, the company's assets will be reduced from $13,513,112 to $9,270,886. On the liabilities side of the balance sheet the book value of the common stock will be reduced from $5,634,450 to $2,953,780.

This change is reflected among assets by cutting down the investments in controlled companies from $2,314,961 to $679,270, which will bring this item in line with current values. At the same time the property account will be reduced from $7,881,560 to $5,475,024.

Renfrew Ind. Reorganizes To Avoid Receivership

At a recent meeting of shareholders and bondholders in Renfrew, both shareholders and bondholders agreed on the plan for reorganization of the capital of Renfrew Industries. The voting is reported as being practically unanimous.

The general manager, F. D. Vickers, stated that the alternative to reorganization was a receivership which would mean liquidation. The depression had cut business of the reffrigerator factory by $100,000 and Canadian business by $175,000. Orders were beginning to come from England and South Africa. He reported that operating expenses had been greatly reduced.

Australia Leads in Lead

The world output of lead in July totalled 103,483 tons of which Australia accounted for 22.7 per cent, United States 17.9 per cent, Mexico 10.7 per cent, Germany 10.4 per cent and Canada 10.3 per cent.

New Wheat Data Show Heavy Drop

Latest estimates from the west indicate that the 1933 wheat crop may not exceed 250,000,000 bushels as compared with an official Dominion Bureau estimate of 264,000,000 bushels.

Searle Grain Co. now estimates the crop at 247,000,000 bushels—a decline of 22,000,000 bushels from their previous estimate. Chief reason for the reduction is found in lower threshing returns particularly from Alberta, where a crop formerly placed at 103,000,000 bushels is now thought to be not more than 90,000,000 and perhaps as low as 80,000,000.

If these figures prove correct it will mean that only 40 per cent of the new crop remains undelivered in farmers' hands.

MANY PROBLEMS OF MARKETING SEEN FOR CANADA

Sydney Smith Praises Wheat Quota Secured By Bennett

Praise for the deal which R. B. Bennett had secured for Canada at the World Wheat Conference but doubt as to how the proposed quota plan would work out as far as this country is concerned, were voiced by Sydney T. Smith, immediate past president of the Winnipeg Grain Exchange, in an address in Winnipeg last week.

Mr. Smith reviewed wheat growing over the past 20 years and showed how great had been the increase in production not only in Canada but in all wheat-growing countries. In Canada alone, he pointed out, acreage had jumped from 10,000,000 acres in 1914 to about 27,000,000 acres in 1932. Prior to 1914 Canada had but 14 per cent of world trade in wheat and flour while in the past decade we have increased this to 36 per cent.

"Canadian wheat because of its superior quality was in great demand, and we went ahead and produced faster than our competitors. But during these years the desire to grow wheat became most urgent throughout Europe and the United Kingdom where the bulk of our demand came from.

Post War Growth

"In the period since the war land sown to wheat in Europe increased by some 5,000,000 or 6,000,000 acres and production was also increased further by improved farming methods.

"Europe received a severe shock in regard to food supplies during the war, for without doubt, the principal reason for the defeat of our enemies in the war was the terrible shortage of food supplies which developed and increased until they could not get food to continue the war.

"Europe determined never to be caught that way again, and first Mussolini in Italy and then the other countries followed until they all became fixed in their resolve to be as nearly self-supporting as possible in their wheat requirements. The United Kingdom for instance has increased acreage and production to the extent of 40 per cent.

"Let us notice for example what Italy has done in regard to increasing her wheat production and you will get from that a picture of the whole situation in Europe. By improved farm methods without practically any increase in wheat acreage Italy has reduced her import requirements from an average of 75,000,000 bushels yearly to only about 15,000,000 bushels.

"This plan has been systematically worked out in all European countries by Government assistance, bonuses to farmers, the imposition of heavy duties against all foreign wheat and milling restrictions to reduce the use of foreign wheat to the smallest percentage possible, with a view to using up their own home grown wheat first and then the smallest possible percentage of foreign wheat.

"The result of this policy has been the reduction in imports by European countries of a total of about 200,000,000 bushels per year on the average.

"The total international trade in wheat, including Europe and the United Kingdom and all other countries, reached in the crop year 1928-29 about 917,000,000 bushels, whereas the estimate for total world requirements this year is about 560,000,000 bushels of wheat.

The Quota Plan

"These are facts which we have to face, and it is because of this situation that the Wheat Conference was held in London which resulted, as you know, in Canada being given an export quota of 200,000,000 bushels of wheat for the present crop year.

"The surplus carryover from the 1932 crop was about 219,000,000 bushels. It is estimated that Western Canada will raise a crop of around 268,000,000 this year, thus giving a total of 487,000,000 bushels in hand.

"After providing for seed and feed in Canada and exporting the 200,000,000 allotted under the quota, there would still be in Canada at the end of July, 1934, approximately 175,000,000 bushels of wheat. Therefore it can easily be seen that the export quota is not sufficient to take care of our exportable surplus at the present time. However, under the circumstances, in relation to the total amount estimated as being required by the importing countries, it is quite easy to realize that our Prime Minister secured for Canada a very good percentage of the total amount required, the percentage being about 35 7/10 of the whole amount estimated.

Future Uncertain

"At the present time it is not clear to the grain trade just how this quota system will be worked out, or whether it will actually be worked out. In the meantime the export of Canadian wheat is going on in the usual way although the volume is somewhat smaller during the past three months than for the same period last year.

"This creates a very difficult situation indeed for Canada and the best thought will have to be given to finding ways and means for increasing our export sales of wheat. Apparently the present policy of the government is directed to dealing with the emergency which now exists, but looking forward, surely we are entitled to expect that when the volume of international trading begins to increase with an improvement in world conditions, some of our markets will be regained, and it may be possible to adopt a policy looking forward to the enlargement of the demand for Canadian grain and grain products throughout the world.

World Silver Production

The world production of silver in June totalled 11,575,000 oz.; and in July 13,296,000 oz. of which Mexico produced 5,738,000 and United States 1,552,000.

RETURNS IMPROVED TO PRAIRIE FARMERS

But Wet Weather Has Toughened Current Marketings

Effect of wet weather can be seen in current western wheat inspection, according to the last regular wheat crop report of W. Sanford Evans Statistical Service for this year. In the last two weeks the report states that 10 per cent of total inspections have graded tough and damp. Otherwise the crop is of good quality and maintains the high record of the past three years.

Deliveries are continuing in a steady flow, but as might be expected considering the size of the crop, they are less than at this time a year ago.

Values Improved

The value to farmers of wheat marketed up to the end of September for the three Prairie Provinces was about $41,500,000 compared with $48,100,000 last year. August deliveries were worth more than the same month a year ago but during September wet weather delayed harvesting and despite a better price the total value in that month was $13,000,000 less than in September, 1932.

At today's prices farmers in the three Prairie Provinces are receiving approximately the following prices at the country station:

Net Prices to Farmers of Leading Grains (Oct. 18) (Cents per bushel)

	Wheat (No. 1 N)	Oats (2 CW)	Barley (3 CW)	Rye (2 CW)
Manitoba				
1933	43	20	21	27
1932	34	13	13	16
Saskatchewan				
1933	40	18	18	23
1932	31	11	10	13
Alberta				
1933	38	17	17	23
1932	29	11	10	12

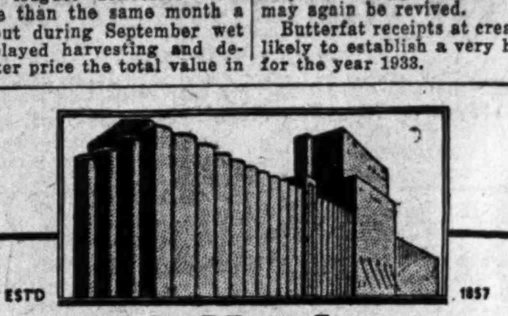
Livestock marketings, according to the report, reveal a tendency for high production of beef and falling off in hog breeding. Interest in sheep farming is being maintained. During the first eight months of 1933 hog prices gained over 100 per cent and for corresponding grade and weight are above the same date in 1932. Cattle and calf prices are lower than a year ago. With these changing relationships it is likely that interest in hogs may again be revived.

Butterfat receipts at creameries are likely to establish a very high record for the year 1933.

Winnipeg Grain Prices

Week to October 24

Crop year from Aug. 1, 1933 High	Low		Open Oct. 18	High for week	Low for week	Close Oct. 24
		Wheat				
.89⅛	.54⅝	October	.57⅝	.65⅛	.56⅞	.63¼
.68⅝	.54⅝	November	.57½	.65¼	.57¼	.63¼
.90⅞	.54⅛	December	.58½	.65¼	.56⅞	.63⅛
.95	.59¼	May	.63⅝	.69⅝	.61⅞	.67⅞
		Oats				
.45	.25¾	October	.29¼	.31⅞	.28¼	.31½
.45⅝	.26	December	.30⅝	.32¾	.29¼	.32¾
.48½	.29½	May	.32⅝	.35½	.32	.35¼
		Barley				
.55⅞	.28¼	October	.32⅝	.35¼	.30⅞	.35
.56⅞	.29¼	December	.34	.36½	.32	.35¾
.59¾	.32½	May	.37	.39¾	.35⅞	.38⅞
		Flax				
1.60	1.13	October	1.24	1.44	1.21¼	1.34
1.68½	1.11	December	1.26	1.45	1.22½	1.34¾
1.71½	1.16	May	1.29	1.53	1.27½	1.41½
		Rye				
.62¾	.35¾	October	.39½	.43	.37¼	.41¼
.50½	.38¼	November	..	.43	.38¼	.41¾
.64½	.37	December	.41½	.44⅛	.37	.42⅛
.68½	.39½	May	.46	.48½	.41½	.46¼



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Bondholders' Fear Of Inflation Probed

Other Factors Operate on Bond Prices and Hedging Against Loss of Buying Power Involves Risks

Inflation and rising prices are the present day bogeys of many holders of high-grade securities, judging from numerous enquiries received by The Financial Post from investors. An examination of the probabilities, and authoritative opinion, indicate that there is probably less to fear than some investors imagine.

A study of the relationship between the wholesale price level and average prices for gilt-edged Canadian bonds over the past 33 years indicates that there is some tendency for such securities to fluctuate in price inversely to changes in wholesale prices. Such bonds have risen as general prices declined and vice versa. But the opposite has happened in the recent period of falling prices. So there cannot be said to be a simple rule connecting the general price level and prices for high-grade Canadian bonds.

It is conceded by all authorities that a rise of general prices would depreciate the real purchasing power of fixed money incomes such as those derived from bonds. But it is considered a difficult thing to avoid without risk of even greater loss.

Not Expected Here

Inflation is a term of wide interpretation and is loosely used. However, there are few informed persons who anticipate an inflation in Canada of the kind which made the German mark worthless and depreciated the franc 80 per cent. It is not inconceivable that general prices might rise substantially, say, to 1926 levels, but this would not necessarily entail a depreciation in the dollar value of bonds. It would mean some loss of purchasing power for which investors might be compensated by increased certainty that debtors could meet their obligations.

Theoretically investors can hedge against inflation by switching into equities such as common stocks or property. One conservative and experienced New York trust company recently advised this for discretionary estates. But it is not always practicable within the bounds of conservative investment. On this, Joseph Stagg Lawrence recently commented in the New York "Econostat."

"The fact is that a ride on the inflation band wagon is safe only if it never turns . . . Hugo Stinnes the great industrialist of post-war Germany, was in an extraordinarily favorable position to take advantage of every turn, but was caught when the juggernaut of inflation stopped."

Bonds Fell, Prices Post

A brief sketch of the last 33 years relationship between wholesale prices and prices of gilt-edged bonds in Canada shows that the two tended to fluctuate inversely up to 1928. From 1900 to 1913, a gradual rise of wholesale prices was accompanied by a slowly downward trend in gilt-edged bonds. Depressions in 1907 and 1913 brought more pronounced dips in the downward trend of bond prices. As prices rose sharply to inflated levels in 1920, bonds dropped precipitately. With the sudden deflation of wholesale prices in 1920 and 1921, bonds recovered a little. Then with a gradual downward movement of general prices up to 1928, bonds rose steadily under the influence of commercial and financial activity. So, for 28 years, there appears to have been a relationship between the two factors. But experts do not concede that it necessarily proves anything.

In 1928 and 1929, bonds dipped, general prices were stable, and the stock market lapped up funds, which, but for the speculative mania, might have gone into gilt-edged investments. Only after a disastrous decline in 1931, was there a concerted rise in bonds, during the 1930-32 collapse of general prices. And this year bonds have been rising along with wholesale prices. So recent experience abruptly blasts any pretty price theory which might have been formed from the pre-1928 experience. It does not remove the certainty, however, that bondholders have gained in the purchasing power of their fixed interest incomes since 1928, due to the fall of the general price level.

Prices Near Top Point

One authority consulted by The Financial Post explained the price situation as perhaps near a top point, but not necessarily due for a decline. His view of the 1928-33 relationship, disrupting of the former affinity between bond prices and wholesale prices, is that lack of confidence became a factor. As a result, he contended, bonds have not had the benefit of the rise which should have accompanied falling prices. This factor, he thinks, should offset any unfavorable market effects of a rising price level. His explanation of the relationship between wholesale prices and bond prices is that they are merely related to the same thing, general business conditions.

Another factor of potential strength to high-grade bonds is the interest rate structure in Canada. Efforts have already been made to lower prevailing interest rates on various forms of credit by reducing rates on deposits. Now there is definite confirmation that some groups are seeking to have these rates lowered again.

In conjunction with possibilities of lower interest rates in Canada, the London and New York money markets must be considered an important factor to high-grade bond prices. High prices for our bonds before the war are conceded to have been largely due to the low interest rates prevailing in London where most of our borrowing was done.

Moderate Rise Helps Bondholders

This year there has been evidence of the strong influence of other money markets on Canadian high-grade bonds. The loan of £15,000,000 at four per cent obtained in London last August improved bond prices and prospects here immensely. Looking back to 1900 it is also clear that foreign lending to Canadian governments has been a strong factor in sustaining bond prices here.

From this it is apparent that reopening of the London and New York money markets to Canadian loans should have the tendency to strengthen prices for Canadian bonds provided that interest rates in those centres remain low. But it is worth noting that experience in Great Britain in the 19th century was that long-term money rates went up as the wholesale price level rose, and declined concurrent with recession of wholesale prices. In other words, prices for gilt-edged British loans went up as wholesale prices declined, and vice versa. This confirms the Canadian experience of the present century.

In the case of corporation bonds, a moderate rise of wholesale prices is considered by most economists to be likely to improve the position of bondholders by allowing greater profits so that bonds are more certain of being paid in full.

In summary, it appears that other factors than the wholesale price level are likely to help high-grade bond prices, according to authorities

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Enquiries

Canadian Vickers

Will you let me have your opinion on the securities of Canadian Vickers as an investment?

We presume your enquiry has to do with the bonds of Canadian Vickers. In that case, we may say that the bonds are regarded as semi-speculative. While the company has been able to strengthen its operating and management position over the last two years, conditions militate against the development of anything like a substantial earning power. Last year the company's earnings were short of interest requirements on the bonds.

A feature of these bonds worth keeping in mind is that the Dominion Government's subsidy to the company, amounting to $105,000 annually, is assigned to the trustee for the benefit of the bondholders. Thus the holders are assured of an income of at least 4 per cent on their bonds. The balance is made up by the company out of current earnings.

Canada Vinegars

I am considering the purchase of stock of Canada Vinegars, Ltd., as an investment. What is the earnings and dividend record of this company? How does the yield from the stock compare with yields to be secured on high-grade bonds and how stable can they be considered?

Canada Vinegars Ltd. is the largest manufacturer of vinegar in Canada and manufactures for export as well as domestic trade. It operates some 13 plants located between Quebec and Vancouver and the company has enjoyed stable earning power over the past four years and net earnings in 1932 were $233,150. The company has no funded debt and but one class of stock of which there are 92,000 shares outstanding. Earnings per share amounted to $2.01 in 1929, $1.82 in 1930, $1.83 in 1931 and $1.65 in 1932. Dividends at the rate of $1.60 per share have been paid for the last five years. Earnings in the current year are reported to be somewhat higher than in 1932. Working capital position of the company is satisfactory.

At present prices, the stock yields a return of 8 per cent, which compares with a return of 4½ per cent on long term Dominion of Canada bonds.

As to stability of earnings you will see from the foregoing statistics that Canada Vinegars is a good company and has given a good account of itself during the depression but its earnings have not on the average been very much above the dividends paid. In other words, the yield is fairly large because there has been no evidence as yet of a situation which would lead to greater earnings even though there is a moderately healthy margin each year over dividend payments. There is also the possibility that if important competition were to come earnings might not be quite enough for present rate of dividends. So far as one can find out there is no probability of such competition in the near future. The fact that dividends are not excessive may prevent other companies from organizing to exploit the field.

Brewers and Distillers

Kindly give us any information you may have or can get as to the amount of spirits held in stock by Brewers & Distillers of Vancouver.

The writer holds several shares of this stock and has heard they have no stock whatever of spirits on hand.

The Financial Post has no direct information as to the amount of spirits held in stock by Brewers and Distillers, of Vancouver. It would be very much surprised, however, if the rumor is correct that it has no stocks whatever of spirits on hand. If you look over the balance sheets for five years back you will note that the value of inventories given at cost or market, whichever was lower, advanced from $1,431,598 in 1927 to $2,371,772 in 1928 and to $4,146,085 in 1929, reaching the peak at $4,243,908 in 1930.

At the end of 1931 there was a drop of about $400,000 and a further drop of about $232,000 at the end of 1932, leaving $3,600,027 still available for the market. The size of this large inventory held during this time suggests that the company has on hand some matured spirits suitable for United States consumption. We cannot guess how much without an official statement, nor can we know how conservatively supplies are valued.

At the annual meeting on April 18 the president, Henry Reifel, stated that the directors had not been pushing sales in the export field, as they considered it inadvisable to push the sale of products beyond the point necessary to keep its brands in the eyes of the public until such time as better prices could be obtained. He referred to the action of the Federal Government of the United States in seeking the repeal of the 18th amendment. He said that it was only reasonable to assume that in the interim between the letting down of the bars to the importation of foreign spirits and the coming into the market of the full force of the domestic American distillers there would be a period in which the Canadian distillers would have an opportunity to dispose of their wares. But he did not say how much whisky the company had for export.

Investors Equity

I hold a $500 bond of Investors Equity Corp. and have been offered a price of 105 for it which is the redemption price. It has been suggested that I sell this bond at a premium and buy a Dominion of Canada bond.

I have always had a high regard for this bond, having in mind that it is a legal investment for life insurance companies, the other protective features surrounding this bond and the fact that it carries warrants to purchase stock at $15 a share up to March 31, 1934, make it, in my opinion an excellent bond, one that I always thought I could carry with safety of principal which must of necessity be the prime consideration for me at this time, although I have 50 per cent of my investments in first class bonds.

Will you please give me all the information you have about this bond, advising if the corporation is maintaining on deposit with the trustee cash or securities to the value of 150 per cent of the principal amount of bonds outstanding?

Investors Equity Corp. has never issued a balance sheet to the public and it is, therefore, impossible for any bondholder or stockholder to judge the degree of success with which the management is operating. It can be taken for granted that this trust, in common with all other investment trusts, has sustained severe losses since 1929 although income has been more than sufficient to meet interest charges on the bonds outstanding and the security pledged with the National Trust Co. is somewhat in excess of 150 per cent of the face value of bonds outstanding. To this extent the security of the bonds has been maintained but there is not a wide market for the bonds and there is no assurance that a bid of 105 per cent will be maintained.

There was originally issued and outstanding $600,000 of 5½ per cent first collateral gold bonds, Series A, of which there remained outstanding some $108,000 at December 31, 1932. This amount has since been reduced. The trust has a good liquid position which enables it to retire its bonds without liquidating investments which show a substantial loss of principal at the present time. It is highly improbable that the stock purchase warrants attached to each bond will have any value in the immediate future and the retention of the bonds merely to be able to exercise the stock purchase privileges is hardly justified except on a speculative basis.

Many good public utility and corporation bonds are selling under par at the present time and have a greater degree of marketability than the bonds of Investors Equity Corp. can ever have. A bid of 105 for the latter bonds would appear to be the maximum price for these bonds.

Minnesota & Ontario Paper

We hold Minnesota & Ontario Paper Co. first mortgage bonds which are in default in interest payments. The secretary of the Bondholders' Protective Committee has suggested the exchange of the committee's certificate of deposit for the bonds. Would you please advise us if, in your opinion, there would be any advantage or otherwise to our client in complying with this request?

Our client is of the opinion that some definite declaration of policy, such as a reduction of capital, or exchange of bonds for shares on a basis that might eventually be able to earn profits, would be more reassuring to the holders of bonds than the profound silence.

Can you give us any information as to the present situation in this company's affairs, particularly with regard to the bondholders' position?

Up to date some 85 per cent of bondholders of Minnesota & Ontario Paper Co. have deposited their bonds with the protective committee but the committee desires to get every possible bond in so that as strong a case as possible can be made before the American court. We are informed that very few bondholders have refused to deposit their bonds with the committee after being approached.

The bondholders' protective committee has been closely in touch with the receivers for the property and it is our understanding that a letter will go forward to bondholders from the committee before the end of the current year. While operations continue to be carried on at a loss, business was better in August. As long as losses are shown on operations the bondholders' committee feels that any scheme of reorganization is impracticable. If conditions improve and there is some tangible evidence of the earning power of the company under new conditions then there can be reorganization upon a sound basis.

At the present time, the receiver is instituting proceedings to recover some $7,000,000 for the company from E. W. Backus. If this action is successful and the money can be collected, the position of the bondholders would be greatly improved. At the present time, bondholders are secured by a first charge upon fixed assets of the company but other creditors have some claim upon liquid assets. The affairs of the company are so involved and the future of the company is so obscure that it is practically impossible to state exactly the position of the bondholders.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Closing Fake Auction Rooms

DIRECTOR Fernand Dufresne, acting on instructions of the Montreal Executive Council, closed four establishments alleged to be operating so-called "fake auctions" and it is understood that their licenses will be cancelled. Numerous complaints preceded this action. Knowing they could be closed these four shops staged the largest auctions yet held and tried to clear their stock.

* * *

News on Winning Sweepstakes

DAILY newspapers give prominence to winnings across Canada of holders of tickets representing horses taking part in the Irish Sweepstakes. This free advertising because of the human interest attaching to such news has given this illegal business a considerable vogue in Canada and on each new occasion the number of participants appears to be larger.

Janitors, housewives, trainmen, milkmen, rich men, poor men, clerks, managers appear in the latest list of possible beneficiaries.

* * *

Estates for Everybody

THOUSANDS of Canadians who have been approached to supply money to promoters who promised to push claims to mythical estates will be interested in the trial now proceeding in Sioux City, Ia., of Oscar M. Hartzell, who gained a living for many years by seeking in the United States, Canada and elsewhere heirs to the estate of the famous Sir Francis Drake. He managed to get 50,000 heirs in the United States and a few hundred at least in Canada to give him their savings to push their alleged claims. Other heir-mongers were combing Canada at the time and lies about the Drake estate seemed to go better in the United States than in Canada.

Witnesses tell the amazing stories which induced them to contribute. Hartzell, it is alleged, even told the heirs that he was a friend of the King of England. To confound the unbelievers, the "Baron" would whip off his bowler hat and show in the crown the words, "By special appointment to His Majesty the King."

"The fortune is worth five thousand million pounds—which is a figure five and nine noughts," he claimed.

"Some of it consists of the King of England's crown jewels.

"The ownership of the whole of the county of Devonshire, and 1,100 acres in the heart of London is thrown into the bargain.

"Nine-tenths of North America also belongs to the Drake estate. The heirs do not claim Canada, but most of the United States will be theirs, for did not Sir Francis land in California and take possession of the continent?"

Every international move of recent years has been a move to keep the heirs from their rightful fortune, the heirs were told when restive about lack of practical results. The World Economic Conference this summer was attended by 66 nations, not to discuss world recovery, but to talk about the Drake millions.

Why did Lloyd George threaten in parliament last winter to reveal Cabinet secrets of ten years ago, and why did he consent to be hushed up? they ask. Because he wanted to reveal the secret of the Drake millions, and the government would not let him.

* * *

A Racket Transpires, Perspires

ALBERT GREEN, of Ottawa, was saved by the New York police from losing $125 on a bet that a chance acquaintance, Charles Lash, was wrong in saying he did not wear a top-coat because it would make him "transpire." He thought the dictionary would back him up in his assertion that "perspire" was the proper word.

Just after the men had made their bets, with a man named Bolger acting as stakeholder, Detective Joseph Downey, taking his two small children to a rodeo, happened to pass and heard part of the conversation. The detective took the three men and his children in a cab to the police station where the three "transpire" advocates were charged with petty larcency. Many small rackets have used the dictionary as a stalking horse.

* * *

Pestilential Drug Vendors

IN SENTENCING Harry Davis, convicted and notorious drug pedlar, in the Court of King's Bench at Montreal recently to a total of 27 years in the penitentiary, 14 of which he must serve, and ten strokes of the lash, Chief Justice R. A. E. Greenshields expressed his determination to do his share toward stamping out the "deadly illegal traffic carried on by pestilential vultures whose pathway is strewn with human wreckage."

Addressing the prisoner before pronouncing the sentence, the Chief Justice, in part, devoted his attention to the racket that this man and his kind represented. That part of his address was as follows:

"The proportions reached in the carrying out of this conspiracy were astounding, and almost unbelievable. Hundreds of thousands of dollars were sent from Canada and the United States to buy narcotic drugs on the other side of the Atlantic and nearly all of it came to Canada.

"You and your kind are entitled to no consideration whatever. . . . I am convinced from my experience, that a large proportion and a very considerable, alarming proportion of the younger men who have stood, and daily stand, in the dock where you stand, are brought there directly through your traffic and the traffic of your kind. Acquiring the deadly habit, they will commit any offense to secure money with which to secure the longed-for drug. Hold-ups, robbery, theft and even murder, are chargeable to your traffic. It was one of the drug addicts that, in a lucid moment, as death drew nigh, prayed that awful prayer: 'Oh God, if there be any God, save my soul, if I have any soul.'

"I still believe, however, that in our country at least punishment has a deterring effect. The traffic in deadly narcotics must be stopped. Hopeless as it may seem, there is one way at least to aid in the process, and that is—and I know of no other—to put you and the pestilential vultures of your class beyond the reach of the drug; to put them where the helpless public cannot be corrupted or even tempted by your nefarious trade and traffic."

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Siscoe Gold Mines

What is the matter with Siscoe Gold Mines? It does not seem to advance with other dividend paying gold mines. How do you regard the outlook for the property?

Siscoe Gold Mines in the last four-and-a-half years has steadily advanced its production from a 50-ton basis until currently it is treating over 300 tons daily. What the company has done in the past is the best guide for the future, as the ore occurrence is high grade but erratic and does not lend itself to appraising accurately the importance of the property. It enjoys excellent management and has been more than earning its dividend, while carrying on an aggressive development programme. It also has a substantial backlog in the way of assets. The shares of the company have been selling out of line with other dividend-paying producers, largely because of lawsuits overhanging. Already two cases have been successfully disposed of, but in the meantime the company's effort is being more or less embarrassed by these legal proceedings.

Bobjo Mines

I have heard a good deal of talk recently about Bobjo Mines for its interest in other companies. Before investing I should like to have your observations on the affairs of the company.

Bobjo Mines is a well-directed exploration effort, with principal interest centred about its control of the God's Lake Gold Mines, the pioneer property to be staked in the God's Lake area of Northern Manitoba. Development at this property has been of a most encouraging nature and directors have been taking shareholders into their confidence by giving them full information about developments. Indications are that a mining plant will be taken into the property this winter. While it is yet a prospect, it is considered one of the most promising ones in that area. In addition, Bobjo holds a large block of stock of San Antonio Mines, which is giving a good account of itself. Shareholders are assured that they will be treated squarely and given a fair run for their money. At the present time the company has no assured source of income.

Lee Gold

I have been advised to buy shares in Lee Gold Mines, as a mine of great possibilities. Would you please give me your viewpoint of the company?

Lee Gold Mines has a raw prospect in the Swayze area of Ontario, a district that is attracting considerable attention. Only a well-financed, well-directed programme of exploration will determine whether its holdings are worth more extensive development.

Acme Gas & Oil Co.

I have some shares in Acme Gas & Oil Co. and have been considering selling them. What do you think of the company?

Acme Oil & Gas Co. has important producing wells in the East Texas and Oklahoma City oilfields, but, due to the proration schedules in order, only a small fraction of the production is permitted, with the result that income only about meets operating expenses. The company has able management but its future is inseparably tied with improved conditions in the oil industry, permitting a higher flow from the wells or an improved price for the product.

Prices have improved and the company should be in a position to give a good account of itself when allowable flow is greater.

Malrobic Mines

Is Malrobic Gold Mines beyond the stage of a prospect? What is its outlook for becoming a profitable mine?

Malrobic Gold Mines has a prospect whose outlook has been somewhat enhanced by the revival of operations at the nearby Malartic Gold Mines. The company obtained funds this summer to carry on further development work. It is a prospect on which but a limited amount of work has been done and therefore has all the potentialities and carries all the risks of an undeveloped property.

A TIMELY SERVICE

The business trend so far this year has given a fair indication of the future outlook for individual companies.

Now is the opportune time to have your list of holdings carefully checked. We would be glad to render this service without obligation.

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Insurance for Buyer and Seller

INSURANCE SALES DURING SEPTEMBER TOP 1932 FIGURE

Quebec Makes Largest Gain — Ontario, Newfoundland, P.E.I. Up

Sales of paid for ordinary life insurance in September just nosed ahead of the corresponding figure for 1932, according to Life Insurance Sales Research figures released last week. This is the first time this year that 1933 has been ahead of the production in the corresponding month of 1932. Total sales were $25,381,000, as compared with $27,263,000 sold in August. September sales are proverbially quiet in the insurance business and are usually the lowest monthly total of the year.

Total sales for the first nine months of the year have now topped the $260,000,000 mark and compare favorably with the $306,000,000 of business sold in the same period a year ago. The percentage decline is roughly 14.8. The figures cover new paid for sales of ordinary business in Canada and Newfoundland for 14 companies having in force 83 per cent of total business.

Quebec Showing Best

By provinces, Quebec made the best showing in September with a gain of over $300,000 in new business. Ontario and Prince Edward Island were the other provinces to show gains, while a substantial improvement was shown in sales in Newfoundland.

Comparative figures for September by provinces were as follows:

	1933 $	1932 $
Alberta	1,055,000	1,134,000
British Columbia	1,639,000	1,668,000
Manitoba	1,384,000	1,423,000
New Brunswick	565,000	595,000
Nova Scotia	843,000	850,000
Ontario	10,451,000	10,433,000
Prince Edward Island	94,000	87,000
Quebec	8,079,000	7,757,000
Saskatchewan	1,032,000	1,076,000
Newfoundland	239,000	184,000
	25,381,000	25,207,000

A further improvement in sales is forecast by Ford S. Kumpf, president and managing director of the Dominion Life and first vice-president of the Canadian Life Officers Association.

"In this last depression, life insurance has been the economic salvation of scores of thousands of Canadian families, and, as conditions continue to improve, I forsee a great increase in life insurance sales," said Mr. Kumpf.

"The public as a whole has a new conception of investment and protection. It is looking for security and safety, instead of speculative profits, and it sees in life insurance a sure shield against most economic ills. Today, policyholders are straining to repay their loans, to re-establish their insurance position, weakened by the long period of reduced incomes and reduced wages, to regain that position of security that they enjoyed before markets crashed and business staggered. Tomorrow, these policyholders will be increasing their holdings and new prospects will be secured in ever-increasing numbers."

Ordinary Life Insurance*

	1928	1929	1930	1931	1932	1933
January	$47,769,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000	$29,867,000
February	39,962,000	47,140,000	42,925,000	40,180,000	35,145,000	26,322,000
March	44,823,000	45,066,000	49,647,000	46,945,000	37,467,000	29,765,000
April	46,718,000	51,842,000	51,649,000	45,643,000	33,629,000	29,770,000
May	49,581,000	54,547,000	48,871,000	41,314,000	30,998,000	30,497,000
June	51,884,000	54,469,000	54,168,000	46,227,000	29,960,000	27,983,000
July	44,492,000	54,800,000	46,565,000	39,977,000	34,469,000	27,263,000
August	43,503,000	41,329,000	36,249,000	35,788,000	28,378,000	25,380,000
Sept.	37,872,000	43,013,000	38,994,000	30,665,000	25,207,000	25,381,000
October	55,743,000	50,894,000	44,837,000	36,066,000	29,835,000	
Nov.	54,865,000	55,624,000	46,156,000	38,860,000	34,003,000	
Dec.	56,647,000	54,189,000	49,026,000	47,163,000	35,483,000	

Total, 1st 9 months, 1933 ... $261,117,000
Total, 1st 9 months, 1932 ... 306,579,000

Decrease, 1933 to date, 14.8% ... $ 45,462,000
Increase, September, 1933, from September, 1932 .69% ... 174,000

*By 14 companies having in force 83 per cent of total outstanding business in Canada. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Many Companies Forbidden To Use Canada Mails

Federal Insurance Department Puts U. S. Life and Casualty Firms on Blacklist

The privilege of using the mails in Canada has been withdrawn from no less than six foreign insurance companies not licensed to do business in this country. These concerns have been carrying on strenuous mail order campaigns for Canadian business. The ban is outlined in an official statement in the newly-published Blue Book of the Federal Insurance Department, at Ottawa.

The names of the companies whose mail order business in Canada has been banned are as follows:

1. American Travelers' Association of Indianapolis.
2. Burbank Mutual Life & Benefit Association, Los Angeles.
3. Postal Life & Casualty Co. of Kansas City.
4. Prudence Mutual Benefit Association, Jersey City.
5. Sterling Casualty Insurance Co. of Chicago.
6. Union Mutual Life Company of Des Moines.

Nine Others Outlawed

According to G. D. Finlayson, federal superintendent of insurance, nine other companies which have been extremely active in the Canadian field, including the Travelers' Health Association of Omaha and the Ministers' Casualty Union of Minneapolis have also been forbidden to write further business in Canada. In all these cases, however, special arrangements have been made to permit these companies to use the postal service in Canada to keep in touch with subscribers and members in this country who already carry policies.

Travelers' Health Association, according to Mr. Finlayson is considering applying for a certificate of registry in Canada, but until this is received the ban on its operations in the Dominion apparently still holds.

Other organizations with which this understanding has been reached are as follows:

Commercial Travelers' Boston Benefit Association, Boston.

Commercial Travelers' Eastern Accident Association, Boston.

Commercial Travelers' Mutual Accident Association, Utica.

Connecticut Commercial Travelers' Mutual Accident Association, New Haven.

Illionois Commercial Men's Association, Chicago.

Illinois Traveling Men's Health Association, Chicago.

Iowa State Traveling Men's Association, Des Moines.

Members Given Prizes

All these companies comprise a group of concerns transacting accident and sickness insurance principally among commercial travellers. According to an investigation carried out by the superintendent it was found that some of these companies have carried on an extensive correspondence with persons in Canada. In some cases, Canadian members were encouraged to solicit other members with the consideration of substantial bonuses or prizes. As some of these companies had already a considerable number of Canadian members, it was felt that to withdraw mailing privileges might operate to the detriment of those members, some of whom might be unable to secure insurance elsewhere and would therefore prefer to continue the insurance which they held.

Through correspondence with these firms an agreement was reached under which as a condition of their being permitted to continue correspondence with existing members, they undertake to refrain from soliciting by mail or otherwise, new business in Canada and refuse to issue any policies on the lives of Canadians, even on application received without solicitation. All present Canadian members are to be advised by circular of this undertaking.

A similar understanding, as noted above, has been reached with the Ministers' Casualty Union, Minneapolis, which carries on a similar type of business among ministers.

Plans Regular Shipments Over Hudson Bay Route

From Our Own Correspondent

REGINA.—George H. Smith, who resigned the position of Saskatchewan's traffic commissioner has formed the Canadian Shipping Co., Ltd., and will handle traffic through all Canadian ports. Saskatchewan people are shareholders. Mr. Smith is the general manager and intends to establish offices at Winnipeg, Regina and Saskatoon. When Churchill season opens the company will ship via the Hudson Bay route. It is the intention of the company to establish a regular sailing list for the 1934 season over the Bay route which will also handle passenger traffic.

Ontario Insurance Officials Not Objecting to Exams

Now Question of Government Policy if Applicants For Fire and Casualty License Are to Face Written Test

That officers of the Ontario Insurance Department have no objection to requiring a written examination by initial applicants for a fire and casualty insurance license in the province is indicated by the report of Charles Johnson, secretary of the Ontario Agency Advisory Board submitted recently at the annual meeting of the Ontario Fire and Casualty Insurance Agents' Association at Toronto. Mr. Johnson is chief agency officer for the Ontario Insurance Department.

Subsequently to presentation of this report the association went on record as favoring such a written examination and the executive was instructed to request Attorney-General Price to adopt the recommendation.

No Obligation Seen

According to Mr. Johnson's report, the question of a written examination is a question of "policy for the Government." He added however, that neither Superintendent Foster or he himself had "any possible objection to any recommendation along these lines."

Mr. Johnson's remarks in this regard were as follows:

"Last year at your annual convention there was some talk of recommending to the Government an examination of applicants for license. I should like to say a word on this subject while I have an opportunity.

"We have in Ontario today one of the most effective agents' qualification laws on this continent. You have heard of the work accomplished by the board and the Department of Insurance in eliminating from the business undesirable persons. This work is carried on year after year and with the co-operation extended to the department by companies and agents alike a great deal has been accomplished. Granted there are a number of people now holding licenses who should not be in the business, but time and the machinery at our disposal will gradually get rid of them.

"The suggestion made here last year was that the initial application fee for license be increased and with the extra revenue thus derived an examination of applicants for initial license be provided. Your association is already on record as being in favor of an increase of fees for agents' licenses. Perhaps it would do no harm to repeat your recommendation in this respect.

"As to the written examination that is a question of policy for the Government. Superintendent Foster and I are only administrative officials and if the Government sees fit to adopt this policy our duty will be to see that it is carried out. Speaking for both of us we can have no possible objection to any recommendation along these lines."

In reviewing the activities of the agency advisory board in Ontario during the year, Mr. Johnson stated that no less than 321 persons were refused the right to enter or continue in the insurance business during the license term ending September 30, 1933. In that time 36 meetings of the board were held at which 330 cases were considered. Seventy-four licenses were granted outright and two were granted conditionally i.e., limited to one or more classes of insurance. Some 166 applications were declined and 88 withdrawn either before or during the hearing of the case by the advisory board. Of these 36 were withdrawn by the applicant and 52 by the recommending company.

In addition to the number of applications declined, or withdrawn, 67 agencies were terminated by the recommending company during the year, resulting in the suspension of the licenses of those persons.

Licenses Issued

Indemnity Mutual Insurance Co., London, Eng., has been registered under the Canadian and British Insurance Companies Act of 1932 during the quarter ended September 30, 1933. E. W. Schauffler, Toronto, is named as Canadian chief agent and the company is registered to transact fire and personal property insurance.

Life Insurance Companies Act to Protect Investors

Unorganized Legion of Small Bondholders Get Benefit of United Action By Large Investors —Outlines Position of Canadian Bonds

Extracts from an Address by A. E. PEQUEGNAT, Assistant General Manager Mutual Life Assurance Co. of Canada, delivered to the American Life Convention

From a comparatively small group of individuals several decades ago, the army of bondholders has grown tremendously during recent years until now their name is legion. Although diversification is usually looked upon as a source of strength, in this instance it is a weakness. This vast army is disorganized and there is, undoubtedly, no group of organized financial interests so capable of extending leadership in the fight to preserve the sanctity of bond contracts as the institution of life insurance.

Prominent among the advisors who have been called upon to prescribe the remedy for municipal defaults have been representatives of co-operating life insurance institutions and the effective manner in which the successive patients have been treated has been due to the determination on the part of life insurance companies to protect the interests of bondholders generally.

Tests for Municipals

In addition to the tests which we have been accustomed to apply to our consideration of municipal securities in determining their suitability for life insurance investments, we will probably be directing our enquiries along the following lines:

1. The percentage of current taxes collected during the year levied. A collection ratio of less than 80 per cent will probably indicate lack of adequate tax collecting machinery and that the basis of assessment is too high, or a combination of both.
2. Municipal debentures should be of the serial type, thus avoiding the temptation common to sinking funds.
3. The proportion of assessment on non-revenue producing property or vacant lands or upon the property of one company or one type of industry.
4. Are bank borrowings permitted to accumulate from year to year? It is much safer to have these loans liquidated each year and fresh temporary financing arranged.
5. The amount of unsold debentures on hand or carried by banks as additional security.
6. The financial position of public utility enterprises operated by the municipality.

A more careful selection of our municipal bond investments in the light of a municipality's record along these lines would have avoided, during the past few years, certain troublesome investments.

I fear that all financial institutions will have to assume a share of the responsibility for the unattractive status which corporate bonds now hold as a medium for the investment of life assurance funds; or, in fact, any investment portfolio of a non-speculative character.

Newsprint Securities

At the end of 1930 over 9 per cent of the total bond assets of Canadian life insurance companies was invested in newsprint securities.

The handsome net earnings of the various companies during the boom years of 1926, 1927, and 1928 were sufficient to take care of the requirements of a largely increased capital structure and in order to dispose of the additional securities thus created there remained only the simple task of convincing investors that current earnings were quite normal and were but a natural development of the new business era into which the world was entering. Rival financial interests, jealous of the success of competitors in this field of financial wizardry, vied with each other in offering fabulous prices for almost obsolete mills.

The price of newsprint has taken a precipitous drop owing to the anxiety of operators to keep costs down by maintaining production at as large a proportion of capacity as possible. Generally speaking, the result is chaos in the newsprint industry and although many of the most constructive minds of both countries have been applying their best thought to this perplexing question, I fear that no satisfactory solution for the problem of determining a satisfactory recapitalization of the industry has as yet been found.

Steamship Bonds

The record of steamship companies on the Great Lakes in so far as bonded obligations are concerned, was perfect prior to three years ago. Lured by the steady returns enjoyed by this industry and encouraged by the ease with which boats could be purchased in England, during her lean years, on easy terms of credit, additions were constantly made to the lake fleets, mostly by small independent units.

Rates have decreased from 8c. a bushel in the good years to as low as 2½c. this year. A large number of boats have not moved this season and very few have been able to earn actual operating charges. There will have to be drastic reorganization and revaluation before there can be any hope of meeting fixed charges and possibly a certain measure of Government control of rates may become imperative.

Public Utilities

Other than a serious situation which has developed in the City of Winnipeg, the Beauharnois Power project which has been adjusted, and the default which occurred in connection with one issue covering a hydro-electric power development in Northern Ontario (Ontario Power Service) the record of our public utility bond issues remains unblemished. In the (O. P. S.) case referred to, the situation was complicated by reason of contractual obligations. The entire project was taken over by the Hydro-Electric Power Commission of the Province of Ontario on a reduced capitalization carrying lower interest charges.

The underwriting of this issue will probably stand as an outstanding example of the political mechanics of high finance and the prospectus will go down in history as a classic in the art of revealing only such features as will tend to make a bond issue a success.

Corporation Bonds

When the banks of this country became alarmed by the rapid retrogression in the current asset position of industries generally and refused to arrange further advances to meet funded debt obligations, it rapidly became obvious to large investors that unified action had become necessary if the interests of first mortgage bondholders were to be safeguarded. The responsibility . . . devolved upon the larger holders of the securities involved, which in most cases were the life insurance institutions, and it was not long before Canadian Life Insurance Officers' Association . . . formed a special committee called the securities committee to organize and direct conferences among its members, to deal with specific cases of default which had taken place and to initiate action to investigate other corporations in which default appeared imminent. This committee has been of great assistance in co-ordinating the efforts of bondholders.

Heart Diseases Increasing As Main Death Cause

Startling changes have taken place in recent decades in circumstances which cause death to ordinary human beings. Life insurance companies are vitally interested in this and leading life companies from time to time make exhaustive analyses and investigations into the various trends and changes that are taking place.

Typical is a study made recently by the New York Life Insurance Co. into the six chief causes of death among their policyholders. The study covers the period of nearly 90 years from 1845 to 1931 inclusive and is of special interest due to the importance of the institution and the length of time under review.

Results Summarized

Results of the study were on display at the recent annual meeting at Toronto of the Association of Life Insurance Medical Directors of America. The tabulation is as follows:

Six Chief Causes of Death Among New York Life Policyholders
(As percentage of all deaths)

	1927-31 (5 yrs.)	1911-15 (5 yrs.)	1845-94 (50 yrs.)
Cancer	10.9%	7.8%	3.7%
Urinary	7.0	11.0	6.0
Tuberculosis	5.7	10.5	14.7
Pneumonia & Flu.	8.0	9.6	10.5
Accidents	9.4	6.8	5.2
Cardio-Vascular.	35	23	16.0
All other	24	31.3	44.9
	100.0%	100.0%	100.0%

Most important trend is the rapid increase in deaths from diseases of the heart (cardio-vascular) which now comprise 35 per cent of all deaths as compared with 16 per cent in the last half of the 19th century. This conclusion is tempered somewhat by the fact (noted above) that many deaths in the earlier years which were stated as due to "old age" would now be classed as due to heart trouble. Cancer deaths also show a steady increase while the same is true of accidents which now cause nearly twice as many deaths proportionately as in the latter half of the 19th century.

The most favorable side of the picture is the remarkable decline in deaths from tuberculosis which have been cut almost one-third in the period under review. Pneumonia and influenza are also diseases over which more control has now been obtained although of course the figures do not cover the flu epidemic of 1918.

TELEVISION FIRM MAY SEEK FUNDS FROM CANADIANS

U. A. Sanabria Holds Stock Control General Television of Canada

General Television of Canada Ltd. has recently been formed under Dominion charter by U. A. Sanabria and associates to finance publicly "Sanabria television" which has been demonstrated in Canada in The T. Eaton Co. Ltd. stores at Montreal, Toronto and Winnipeg. Only exhibitions of the television machines are planned, domestic receivers being still distant, The Financial Post is informed.

The new company has a capitalization of 250,000 shares of no par value, of which 126,000 shares, or over 50 per cent, go to Mr. Sanabria for patents, it is understood. Subscriptions may be sought for some of the remaining 124,000 shares.

No Earning Record

The new company has no record of successful earnings. Exhibitions are relied upon to provide revenue.

Queried as to his reasons for coming to Canada and financing here, Mr. Sanabria told The Financial Post that it was due to the "panic" of American investment bankers. The new U. S. securities law, he contends, has made it unsafe to float anything new which is not sure of success. The inventor grants that new inventions might appear which would supersede "Sanabria television." This, of course, has been one of the troubles of radio companies, millions having been written off in patents as new inventions displaced the old.

Sanabria American

Ulises Armand Sanabria, inventor of the machines which the new company will exhibit, is a native-born American of Spanish, French, English and Irish descent, and comes originally from Chicago. He operates an American company General Sanabria Ltd. of New York. His machines are not entirely his own product, he says, as he had assistance from others. But they have been exhibited as curiosities in the United States for three years.

Merchandising organizations such as Macy's in New York and The T. Eaton Co. Ltd. in Canada have hired the machines for exhibit and have advertised the shows to draw customers into their buildings. The curious spectators at the exhibits are, of course, potential buyers of merchandise. Those who have seen the exhibits describe them as resembling the early motion pictures although Mr. Sanabria claims that the clarity and brightness of the images will be improved. At present the operations of Mr. Sanabria appear to resemble the theatre and entertainment business.

Those who are believed likely to serve as directors of General Television of Canada Ltd., at least provisionally, are: U. A. Sanabria, F. B. Fetherstonhaugh, K.C., Toronto patent lawyer; Frederick D. Porter of Porter & Sons Ltd., Montreal contractors; Henry J. Martin, Toronto barrister; Charles Ellis Dickinson, Toronto accountant.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Trans-Canada Insurance

Will you give some information regarding the Trans-Canada Insurance Co.? Is this company a safe one with which to insure?

Trans-Canada Insurance Co. has recently been taken over by strong sponsorship in Montreal and is now associated with the Provident Assurance Co.

The company is regularly licensed by the federal insurance department at Ottawa and although we have not been able to obtain any recent figures, there is no question that the company's standing has improved very considerably under the new management.

Halifax Fire

Could you give us information regarding the Halifax Fire Insurance Co., particularly as to its reliability?

Halifax Fire Insurance Co. is one of the oldest and best established of Canadian concerns and is regularly licensed by the Federal Insurance Department at Ottawa.

Control of the company is understood to be in the hands of the Home Fire group which, in turn, is one of the most important fire company groups on this continent.

THE WESTERN EMPIRE
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

PROTECTION
THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE WATERLOO ONTARIO
The satisfaction policyholders have in their contracts with this Company offers the basis of opportunity for its representatives. Assets exceed $8,200,000.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

A Threefold Benefit
DURING the entire 49 years since its inception, this Company's sound insurance service has included full protection, dependable security and prompt settlement of claims.
Reinsurance effected through Lloyds of London, England.
A deposit is maintained with the Federal Government.
Fire - Automobile - Burglary - Windstorm - Plate Glass - Sprinkler Leakage
The PORTAGE LA PRAIRIE Mutual Insurance Company
Portage la Prairie, Man.
Est. 1884
TORONTO VANCOUVER EDMONTON MONTREAL

THE DOMINION LIFE
Wins First Award for
Newspaper and Magazine Advertising at Life Advertising Conference in Chicago

"Powerful Appeal"—"Strikingly Illustrated" — "Story Well Told"—These were but a few of the comments on this prize winning Advertising, heard in Chicago.
But these advertisements were designed to act as silent partners with our salesmen—to sell Life Insurance—not to win awards. It has been a great satisfaction that these advertisements have actually sold a large volume of Insurance and have assisted our salesmen in gaining great numbers of new prospects.
This outstanding National Advertising, along with the Direct Mail Program which was awarded Second honours against competition from the greatest Insurance Companies in the whole of North America, is typical of the support which the Dominion Life Field Force receives from Head Office.
THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE • • WATERLOO, ONTARIO

SOLID AS THE CONTINENT
NORTH AMERICAN LIFE
ASSETS $47,298,633
SURPLUS $6,035,328
Head Office: TORONTO, CANADA
ESTABLISHED 1881 · A MUTUAL COMPANY · ALL PROFITS FOR POLICYHOLDERS

To those who GUESSED WRONG in the market
STOCKS can go down even faster than they go up. Margins can be wiped out in a few minutes. No one can "guess right" all the time.
But there is one security which eliminates the element of speculation; which can be purchased on the lowest of margins; which cannot depreciate in value; and which becomes the property of you and your estate as soon as the first payment is made. It is a GREAT-WEST LIFE Double Protection Policy.
This plan offers you $10,000 "Double Protection" for only 37c a day at age 35. (Slightly larger amounts if you are over 35). In case of death before 60, this policy pays twice as much as ordinary life insurance at only slightly more than the regular cost.
Send today for interesting details of this plan or any other form of life insurance in which you are interested.
Find out about this Guaranteed Security
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The Great-West Life Assurance Co., Winnipeg, Man.
I am interested in your Double Protection Policy. Without obligation send particulars. Dept. 67-N.
Name
Address
THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE: WINNIPEG

Current Events in Banking World

Bank Chat on Current Topics

Comparing Banking Systems

WHETHER Canada's superior banking stability is due to a better banking system or better bankers, is a subject of widespread debate in the United States at the present time, according to James E. Boyle, professor of Agricultural Economics at the New York State College of Agriculture. While he does not presume to settle this debate, Professor Boyle does consider that the farmers in the prairie provinces are better served by the Canadian banks than are their neighbors to the immediate south. Coming from one who has studied conditions in Western Canada for many years, this opinion carries a great deal of weight.

Discussing the manner in which Canadian banks meet the credit requirements of agriculture, an article by Professor Boyle appeared recently in Barron's financial weekly. In it he contrasted the maximum rate of 7 per cent charged to farmers in Saskatchewan on their bank loans with the 10 per cent charged farmers in the neighboring state of Montana. He pointed out that in the bank panic of 1907 credit was not available from rural banks and city banks in the United States, whereas in Canada there was no panic and no credit restrictions whatever. In contrast, too, is the training and experience of the bankers in charge of Western divisions who, because of their thorough training, view banking from an international standpoint. The inference drawn is that heads of banks serving contiguous territory in the United States lack the same broad experience and viewpoint.

* * *

Uses Case Method

ON THE question as to whether farmers get all the credit they are entitled to, Professor Doyle points out that branch banking spreads the risks over a whole continent and that a local branch can afford to take greater risks in each locality. Believing that concrete illustrations are better than theory he cites an example of a Canadian stockman who was in debt to the bank to the extent of $12,000. A bad winter killed off many of the cattle in the district and this rancher suffered with the rest until he had but $5,000 in cattle, a quarter section of land and a few implements left. He prepared to hand over these assets to the bank and leave the district unless the bank could furnish another $5,000 of credit to strengthen his herd. After an investigation by the district head office the bank advanced this rancher $8,000 rather than the $5,000 asked in order to give him a "balanced farm enterprise — land, labor and capital." The loan has been repaid in full. In some districts where drouth has prevailed for three successive years the Canadian banks are stated to have staked farmers each year. Professor Boyle asks whether local banks in the United States can extend credit to its farmers with greater intelligence, greater understanding and greater sympathy.

* * *

The Silver Lining

TO THOSE bankers in the United States who viewed the N.R.A. bankers' code as a big dark cloud there are now appearing some glimpses of a silver lining. In fact, the lining may contain so much silver that it will place the banking business as a whole on a profitable basis. The reason is that the code is expected to force the establishment of a self-regulating clearing house system and the universal installation of the service charge for services rendered. Under the fair practice code and service charge regulations the depositor is going to bear the cost of insuring his deposits and every other service he gets. Interest has been eliminated on demand deposits, the rate of interest on time deposits has been reduced. In theory, at least, unfair competition among bankers has been reduced to a minimum.

Staff Changes

The Bank of Nova Scotia advises that:

C. F. HIBBARD has been appointed manager at Sheet Harbor, N.S.

H. O. CONNELL has been appointed acting manager at Freeport, N.S.

G. F. BONNELL has been appointed accountant at Kentville, N.S.

H. G. DUNSTAN has been appointed accountant at Woodstock, N..

The **Dominion Bank** announces the following staff appointments:

W. E. GLENNEY, formerly manager at Huntsville, Ont. branch, has been appointed manager at Brampton, Ont., and is succeeded at Huntsville by J. G. FRASER, formerly manager at Napanee, Ont.

R. HUMPHREY, formerly manager at Mount Albert, Ont., branch, has been appointed manager at Napanee, Ont. H. E. SAUNDERS, previously manager at Mount Pleasant Road branch, Toronto, succeeds Mr. Humphrey at Mount Albert, Ont.

J. C. TAYLOR has been appointed manager at Mount Pleasant Road branch, Toronto.

R. J. NICHOLS, formerly accountant at Windsor, Ont., has been appointed manager at Wyandotte & Ouellette branch, Windsor. G. C. GAMAGE succeeds Mr. Nichols as accountant at Windsor, Ont.

R. H. HOWARD, formerly accountant at Spadina and Adelaide branch, Toronto, has been appointed accountant at Chatham, Ont.

Weekly Bank Clearings

	Oct. 19 1933 $	Change year ago %	Oct. 12 1933 $
Halifax	2,127,447	—39.2	1,679,969
Saint John	1,704,148	—6.5	1,073,327
Moncton	673,836	—1.9	524,136
Sherbrooke	596,589	+6.1	733,948
Quebec	3,968,937	+0.7	3,130,542
Montreal	101,296,670	+19.6	75,997,784
Ottawa	4,202,341	—4.7	3,245,572
Kingston	549,965	—7.9	503,212
Peterborough	605,486	—13.7	490,747
Toronto	114,982,414	+35.0	85,931,076
Hamilton	3,779,127	—8.2	2,806,476
Kitchener	988,974	+6.4	959,835
Brantford	747,840	+4.6	776,256
London	2,555,605	—10.8	1,774,024
Chatham	451,506	+9.4	335,104
Windsor	1,891,496	—5.9	1,522,262
Sarnia	360,109	—9.0	349,065
Sudbury	569,771	+31.2	482,617
Ft. William	601,550	—7.5	444,469
Winnipeg	64,402,528	+33.1	39,105,089
Brandon	379,840	—7.4	289,725
Regina	4,982,962	—13.1	4,189,894
Moose Jaw	675,445	—14.3	464,894
Saskatoon	1,567,461	—15.6	1,169,806
Edmonton	3,715,640	—11.1	3,364,290
Medicine Hat	247,603	—7.3	234,813
Pr. Albert	303,628	—7.0	258,112
Calgary	6,046,443	—14.4	4,308,497
Lethbridge	431,478	+18.4	359,192
N. W'minster	435,834	—2.7	382,563
Vancouver	14,404,201	+6.4	11,567,738
Victoria	1,707,853	+24.9	1,249,022

CAN. PERMANENT WILL PAY LESS ON DEBENTURES

Reduction From 5% to 4¾% May Indicate Trend For Others

Reduction in the rate of interest paid on debentures sold after October 18 has been announced by Canada Permanent Mortgage Corporation. Holders of debentures presently outstanding will not be affected but the rate paid for new money is now 4¾ per cent, as compared with 5 per cent on debentures issued from January 11, 1933, to October 18. During 1932, the rate paid was 5½ per cent. The current decrease in rate is due to the fact that prices for high grade bonds have advanced to such an extent that the rate of interest paid by the corporation has been out of line with the present market.

The volume of the corporation's debentures outstanding is understood to show little change from the volume at the end of 1932 when the balance sheet showed $11,770,562 in sterling debentures and $28,650,194 in currency debentures. Demand for debentures of the accumulative type which have a term of five years has shown some increase that has offset a slight decline in demand for coupon debentures. A large proportion of debenture holders renew their investment upon maturity and these investors will be affected by the new rate, which is the lowest rate paid by the company since 1931.

No Demand For New Money

Interest paid by trust and loan companies on their guaranteed certificates and debentures fluctuates to some extent with the yield on high grade government bonds and also on the desire of the individual company for new money. With yields on Dominion of Canada bonds following a definite downward trend since May, 1931, and very little demand for mortgage money the trust and loan companies as a whole are not in the market for new money and it is believed that other loan companies may follow the example of the Canada Permanent Mortgage Corp. and reduce the rate of interest paid on their debentures.

Rate Changes Seldom

Changes in the rate of interest paid by the loan companies are not usually of frequent occurrence. The Canada Permanent Mortgage Corp., as an example, has made nine changes in its rate since January, 1925, while rates have fluctuated between 4¾ per cent and 5½ per cent on coupon debentures, although 4½ per cent was paid during 1928 on accumulative debentures. On the later type interest is compounded semi-annually and is paid at maturity of the debenture, whereas with coupon debentures the investor receives interest semi-annually.

Investment interest in debentures issued by loan companies is quite wide since the debentures are issued in small denominations with a choice of maturities ranging from one to five years and the rate of interest paid is higher than can be obtained from Dominion of Canada bonds. Fifteen loan companies registered in Ontario have debentures outstanding to the total of some $110,000,000, of which $80,000,000 are payable in Canada and $30,000,000 are payable abroad, chiefly in Great Britain.

Not Anxious for Funds

The Toronto General Trusts Corp. was possibly the first trust company to reduce the rate paid on guaranteed investment certificates. This company has been paying 4¾ per cent since July 1. National Trust Co. announced last June that it had temporarily discontinued accepting money for guaranteed investment certificates, but would pay 5 per cent on renewals. This renewal rate was reduced to 4¾ per cent early in October, and the policy of not accepting new money remains unchanged. Both the Huron & Erie Mortgage Corp. and The Trusts & Guarantee Co. continue to pay 5 per cent on money borrowed and the latter company reports an increase in sales of investment certificates over 1932. In general the reduced rate of interest indicates that trust and loan companies are not anxious to secure new money.

New Books

Early Money in Nova Scotia

"Pieces of 8" and the Acadia of Evangeline are brought forcibly to mind of the reader of the newly published "Currency, Exchange and Finance in Nova Scotia, 1675-1758," issued as a posthumous work of the recently abolished Dominion Board of Historical publications.

The late Dr. Adam Shortt, who did much research of value to students of Canadian history, selected the documents for this work, which was revised and edited by Gustave Lanctot. V. K. Johnston is the author of a 49-page introduction which sketches the background and history of money in Nova Scotia during the period covered by documents. Of the latter, 495 are included in the main body of the book. An index of 19 pages completes what is a valuable source of reference for students of early Canadian money.

The documents are arranged in chronological order, thus presenting in themselves a running commentary on money matters in early Canada. The period from 1675 to 1710 is sparsely documented, most of the references being to American colonies in general except for some correspondence concerning card money and one valuable letter of Aug. 10, 1710. This gives an indication of affairs a few weeks before the British captured the French fort of Port Royal. From that time the documents are concerned chiefly with British commerce, including, of course, considerable discussion of French, Spanish, and New England currencies which were in common use in Nova Scotia until well into the 19th century.

Some of the intriguing titles of documents include: "Card money in Acadia," "Credit of garrison ruined through non-payment of bills," "Four hundred per cent advance in prices," "Plundering of traders at Canse," "French reward for English scalps," "Premium for dead Indians; supplies to be purchased," and so on.

The book, 495 pages in addition to introduction, is obtainable from the King's Printer, Ottawa.

Queen's Lecturer on Central Bank

Editor, The Financial Post,

May I, as one of the "well-intentioned theoreticians" who believe a central bank to be the logical next step for this country, take issue with your article on this subject in the issue of October 21. I do this because I believe that article to be founded on the pure delusion that the mechanism now embodied in the Finance Act can be improved without taking the full step to the establishment of a central bank. That view is not only a delusion, it is one which ignores the most essential element in Canada's past banking history, namely the sense of responsibility.

Prior to 1914 the commercial banks were responsible not only for the direction in which credit was applied, but for the total amount of it as well. The issue and redemption of Dominion notes was a quasi-automatic action in response to the initiative of the banks. That system worked well, partly because the monetary state of the world was one of stability by comparison with our own time, but mainly because our chartered banks, being in the hands of responsible men, had as their primary interest, not immediate profit, but their own longer term welfare. Under that situation the basic interests of the country were adequately protected, and because there was no conflict of interest we were ready to leave our banks relatively free while the United States has felt impelled to follow a policy of increasingly detailed inspection and regulation. It is, therefore, not unfair to say that the preservation of this spirit of responsibility and of its appropriate fostering conditions, is of first importance to the banks as well as to the country.

Break With Tradition

The Finance Act as it now stands represents a break beyound all possibility of reconciliation with that honorable tradition. By giving the banks the opportunity to replenish their cash reserves inside the country we have transferred to the government the responsibility for the total amount of credit to be oustanding (and, therefore, for the state of the foreign exchanges). But that transfer of responsibility has never been admitted. It is questionable whether it was really understood either in 1914 or in 1923. The issue of "legals" is still a quasi-automatic response to the initiative of the chartered banks who are now effectively freed from responsibility for the results. What management is present is in the hands of the treasury board consisting of ministers of the crown with the deputy minister of finance as secretary. It is a wholly political body, of uncertain life, without continuity, devoting only a small fraction of its time (and from past performance, an even smaller proportion of its attention) to the enormously complicated problems involved. It possesses the re-discounting power essential to a central bank without any of the limitations, and without centralization in a permanent organization of responsibility for, its exercise.

Sees Two Courses

If the truth of that analysis is accepted, there can be only two courses open to us. We can wipe it out altogether at the earliest possible moment and return to a really responsible banking system on the pre-1914 model, or we can set up a central bank in name as well as in fact, one which will be conscious of the more important implication of its actions, and which will be restrained by that knowledge and by the necessary safeguards which must be inserted in the Act of Parliament creating it.

In view of the strains which the first alternative, if set up as a complete parallel to the pre-war system, might impose upon the chartered banks, their voice, given through their association, should be the deciding one. Although the creation of a central bank is a logical and eventually an inevitable step there are good grounds for refusing to force it upon them. But if they are not willing to accept again the full responsibilty for our monetary position which they once held they have destroyed the grounds on which they might have resisted the creation of a central bank to accept and administer that share of the responsibilities from which they now wish to be freed.

The question is not whether we shall have a central bank or shall improve the Finance Act. It is whether we shall recognize that we are now exercising central bank powers and must see that they are exercised in a responsible fashion, or are to revert to a simple situation which may prove to be untenable by reason of changes in world monetary conditions.

Question of Outside Influence

As compared with that central question the question of external influence upon the bank, if and when formed, is of very minor importance. Such influence could only become dangerous if the Canadian appointees to responsible posts were men without brains or character. It is of course desirable, if not, indeed, essential, that the bank should have the benefit of the technical experience of a man who has held a responsible post in the Bank of England or in one of the Federal Reserve banks. The final choice can be made when the list of eligibles is in hand. But in view of the importance of our foreign trade and of our proximity to the United States there are sound practical reasons why, other things being equal, preference should be given to the Bank of England nominee. New York is near. Many problems to be faced by the two countries are the same. Canadian problems have since 1920 at least, been very closely studied by the reserve System. By reason of the close inter-relations which exist and the degree of our dependence on the New York money market this country is, within the system, familiarly known as the fourteenth Federal Reserve District. It may be confidently expected that no difficulty will stand in the way of early and close connections with that system. Let us not, therefore, lose the opportunity which the organization period will afford of building up a connection in Europe where, because of time and distance, it will always be more difficult to make and keep good connections.

Omelettes are made by breaking eggs. Nearly all of them are edible, though a smaller proportion may be described as really successful. Much depends on the skill and accumulated experience of the cook. So will it be with our central bank. But the only result of breaking the eggs and then refusing to cook them is a bad smell. That is our Finance Act.

JOHN L. McDOUGALL.
Queen's University,
Kingston.
October 21, 1933.

Foreign Exchange

A MOMENTOUS week in foreign exchange markets, ended on Oct. 23 with defeat of the Daladier Government in France on its deflationist, budget-balancing proposals. The Government failed to "save the franc" which was stated to be the bedrock of its policy. This was the climax which close observers have been anticipating for months, and in which they expected the franc to be driven off gold. We shall see.

Bear raids on the franc earlier in the week, based on the progress of the French budget through the chamber, were abruptly halted when Mr. Roosevelt startled his hearers by announcing via radio on Oct. 22 that his administration will attempt to control the dollar by manipulation of gold. The franc stood the raids well, although gold was extracted from the Bank of France to support it. Despite the seemingly large stocks of the metal and the seemingly impregnable position of the franc, it should be remembered that substantial short-term balances of foreigners are nervously resting in France. They may take a notion to leave at any time, thus embarassing the franc's position.

* * *

JUST what the United States is going to do about the dollar, no one appears to know yet. The Roosevelt statement was vague. Consequently opinions have been expressed that an exchange equalization will be operated, that the dollar will be artificially depressed, and that stabilization is anticipated; and almost in the same breath. One thing seems to be agreed. Mr. Roosevelt is bent on raising prices. And conservative critics insist that exchange uncertainty will persist as long as such policies are followed, whether or not the cart of dollar depreciation is placed before the horse of higher prices.

The Canadian dollar and the pound sterling are mere spectators at the foreign exchange circus.

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Oct. 17	3 1-8	2 13-16	8 3-8	6 1-2
Oct. 18	3 1-2	2 1-2	8 7-8	8
Oct. 19	3 11-16	3 3-8	9	8 7-8
Oct. 20	3 1-2	3 5-16	9	8 15-16
Oct. 21	3 9-16	3 3-8	8 7-8	7 15-16
Oct. 23	3	2 1-2	8 9-16	8 1-4

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Oct. 17	4.58 5-8	.0574 3-8	.0773 3-4
Oct. 18	4.59	.0572 1-2	.0773
Oct. 19	4.53 1-2	.0558	.0753
Oct. 20	4.53 1-2	.0553	.0743
Oct. 21	4.53	.0552	.0743
Oct. 23	4.63 3-4	.0564	.0760

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Oct. 17	4.71 5-8	0.0590 1-2	0.0789
Oct. 18	4.67	0.0574	0.0773
Oct. 19	4.69 1-4	0.0576 1-4	0.0778 1-2
Oct. 20	4.67	0.0565	0.0761
Oct. 21	4.67	0.0569	0.0766
Oct. 23	4.73 1-4	0.0576	0.0778 1-2

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Oct. 17	0.3585	0.2100	0.2840
Oct. 18	0.3512	0.2056	0.2872
Oct. 19	0.3530	0.2060	0.2851
Oct. 20	0.3443	0.2014	0.2976
Oct. 21	0.3474	0.2026	0.2869
Oct. 23	0.3514	0.2055	0.2954

What Editors Say of Banks

Will the Banks Respond?

Hamilton Review: Cheaper money has been urged by Hon. H. H. Stevens, Federal Minister of Trade and Commerce, who views lower interest charges as one of the surest avenues to recovery.

In an address the other day to members of the Montreal branch of the Canadian Society of Cost Accountants and Engineers, Hon. Mr. Stevens said that he warmly favored such an immediate step being taken.

There is no doubt of it, in the Minister's mind, that the sag of business conditions in the depression was due in no small measure to the general weight of interest enterprises; and every conceivable effort, therefore, should be put forth to reduce that weight and ease the load. Such skilled minds as cost accountants, who dealt with the problem of costs, should exert their influence toward that end.

While Mr. Stevens did not say to what level the lower interest rates should fall, he did suggest 3½ per cent as an attractive rate on bonds and five per cent on normal small house loans. As for farmers being compelled to pay eight per cent for money borrowed to finance ordinary farming operations, it was physically impossible for them to do so, he declared, and meant that agriculture was being throttled as long as such an excessive premium was demanded.

Mr. Stevens utterance was a timely one. Much has been said and promised with respect to "cheaper money," but it still remains too high for the problems confronting business today. With 3½ per cent suggested as an attractive rate for bonds, it should soon follow that municipal debentures and bank loans would recede to the same level. Five per cent for mortgages also would do much to stimulate building activities.

Mr. Stevens has touched upon a vital phase of the economic problem in making these suggestions and it is to be hoped his leadership in the matter will be followed by action. Cheaper money is needed. The lack of it is what is choking the channels of business with silt. The next move would seem to be up to the bankers.

Public Can Help

Kitchener Record—Preston has experienced its first bank robbery and this lends support to the belief that bandits are giving more attention to the smaller centres in hope that they can effect escape more easily even though the loot in these places may not be so large.

Prompt action is a vital necessity in the apprehension of those who elect to prey upon society at the point of the gun. The ilk must be made to realize that there is little chance of dodging the arm of the law. In this connection citizens can give valuable assistance to the police by noting the description of the robbers as well as the vehicle by which they hope to elude their pursuers.

Quick arrests serve as a deterrent. If bandits thought that they couldn't get away with their ill-gotten gains they wouldn't attempt a holdup in the first place.

TRAFFIC ON CANALS MAKES HEAVY GAINS

All Canadian Systems Show Big Increases During September

Canal traffic on the St. Lawrence route and connections is notably active and shows a substantial increase over last year. In September freight passing through the Sault Ste. Marie canals amounted to 8,453,292 tons, which was the greatest tonnage since October, 1930, and was more than twice the tonnage for September, 1932. Practically all of this increase was in iron ore which amounted to 5,591,807 tons as against 688,205 tons last year.

Traffic using the Welland Ship Canal during September, amounting to 1,373,242 tons, was the heaviest in the history of the canal and exceeded the tonnage in September, 1932, by 81,039 tons.

Total freight using the St. Lawrence River Canals during September 1933, amounted to 1,129,076 tons This was the heaviest September traffic since 1928. To September 30 of this year total traffic, since navigation opened, amounted to 5,129,798 tons, as against 4,877,635 tons in the corresponding period last year.

FEWER AT WORK IN BORDER CITIES

Employment Figures Down in September — Higher Than in 1932

Employment in the border cities of Ontario declined during September in comparison with August figures, but there was an increase of 762 workers employed when comparison is made with employment figures of September, 1932. Reports from 156 companies operating in the border cities, of which 39 were automotive companies, showed employment of 11,303 workers in September, 1933, as compared with 11,415 workers in August, 1933, and 10,541 workers in September, 1932. The automotive companies employed 6,065 in September, 1933, 6,170 in August, 1933, and 5,341 in September, 1932.

In August, there was a total of 34,048 indigents on relief in the Border Cities and cost of relief totalled $273,122. This compares with a total of 34,343 indigents in July at a cost of $258,341. Customs receipts for the nine months ended September 30, totalled $6,264,204 as compared with $7,014,783 in 1932. These figures represent the combined statistics of Windsor, Walkerville, and Sandwich. Building permits in Windsor, Walkerville and Sandwich, East Windsor and Riverside, totalled only $48,927 in the nine months ended September 30, 1933, as compared with $913,629 in the corresponding period of 1932. Bank clearings for Windsor in the nine months' period of 1933 dropped to $80,097,697 from $90,214,038 in 1932.

During September, S. H. Camp & Co. of Canada Limited, commenced operations in Windsor for the manufacture of surgical supports and braces, corsets, brassieres and garments. The company is a branch of the S. H. Camp Co., of Jackson, Mich.

New Brunswick Hotels Had Revenue of $1,637,756 in '30

There were 135 hotels operated throughout the entire year of 1930 in New Brunswick and 18 hotels which operated only part of the year, according to preliminary reports for the Census of Merchandising and Service Establishments. The 135 full-time hotels had total receipts of $1,637,756, employed an average monthly total of 775 employees and paid $368,824 in salaries and wages.

The 135 full time hotels had 3,313 rooms and seating capacity of dining rooms was 4,030.

Insurance Inklings

John Nelson, supervisor of public relations of the Sun Life Assurance Co. of Canada, Montreal, and president of Rotary International, recently addressed the fall convocation of Alfred University, Alfred, N.Y., on the subject of "The University's plane in International elations." In recognition of his services to the cause of promotion of international understanding the University conferred upon Mr. Nelson the honorary degree of Doctor of Laws.

The London, Ontario, office of **Mutual Relief Insurance Co.** in the new Bank of Toronto building has been enlarged as a result of increased business written by this company in the London district. **John W. Warner** is manager for the company in London.

Eric Chown, assistant superintendent of agencies for the Mutual Life Assurance Co. of Canada recently addressed members of the Life Underwriters' Association of New Brunswick on the "Service of Life Insurance." **C. McN. Steeves**, manager in Saint John, of the North American Life Assurance Co. was chairman of the meeting. **W. Carlisle**, superintendent of agencies and **E. L. Spears**, agency assistant of the Mutual Life were both present at the meeting.

Believed to be the first life insurance company in London and Western Ontario, the **Standard Life Assurance Co.**, of Edinburgh, Scotland, is concluding its 85th consecutive year in London.

A mutual company, Standard Life maintains offices and transacts life insurance business in Canada, Great Britain, and Ireland, India and the East, South Africa, Uruguay, and the West Indies. Head office for Canada is in Montreal. Assets of the company now exceed $119,000,000 with total insurance in force of $162,000,000. More than $250,000,000 in claims have been paid since the company was established in 1825 in Edinburgh.

Obituary

Colonel Matthew Boyde Edwards died recently in Saint John, N.B., at the age of 76 years. Colonel Edwards was prominent in insurance, business and military circles in the maritime provinces and carried on a large marine and fire insurance business. He formerly commanded the 62nd St. John Fusiliers and in 1910 commanded the Bisley Rifle Team in England.

Leslie R. Young, former assistant general manager and treasurer of the Canada Life Assurance Co., Toronto, died October 14. Mr. Young retired from the Canada Life in January, 1931, due to ill health. He was a former president of the Land Mortgage Association of Ontario and member of the executive board of the Dominion Mortgage & Investment Association.

Percy G. Clarke, 52, general manager of the Saskatchewan General Trusts Corp. in Regina, died on Oct. 20. He was born at Cobourg where he will be buried. He moved from Saskatoon to Regina two and a half years ago.

Mutual Director

C. H. HOUSON

President and general manager of the Canada and Dominion Sugar Co., of Chatham, Ont., who has been elected a director of the Mutual Life of Canada, to fill the vacancy on the board created by the death of Major Hume Cronyn, of London.

Toronto Institute Announces Programme

The programme of the Insurance Institute of Toronto for the forthcoming year covers seven meetings of which the first will be held on October 16. At this meeting the president, L. K. File, Canada Life Assurance Co., will make his inaugural address and M. Gratton O'Leary, associate editor of the Ottawa Journal, will speak on "Twenty-five Years in the Press Gallery at Ottawa."

Addresses to be given before the Institute during the year include, "The Investment Values of Life Insurance" which will be delivered by J. N. Babcock, C.L.U., assistant superintendent of agencies for the Excelsior Life Insurance Co. on November 16. The Safety Responsibility Law of Ontario will be discussed by C. M. Phelan, K.C., of Phelan, Richardson & Haines on December 14. Professor L. J. Rogers, professor of chemistry, University of Toronto, will discuss chemical methods of detecting causes of fire on January 18, 1934, and W. M. Anderson, supervisor of field service, North American Life Assurance Co., will speak on the financial statements of fire and casualty insurers on March 15, while the annual meeting will be held during June, 1934.

Executives of the Insurance Institute of Toronto for the forthcoming year is W. H. Burgess, honorary president; L. K. File, Canada Life Assurance Co., president; W. Houghton, London & Lancashire Insurance Co., vice-president; Clifford Elvins, Imperial Life Assurance Co., secretary-treasurer; and R. Smith, Liverpool and London & Globe Insurance Company, librarian.

Canadian Insurance Institute Issues Syllabus for 1933-34

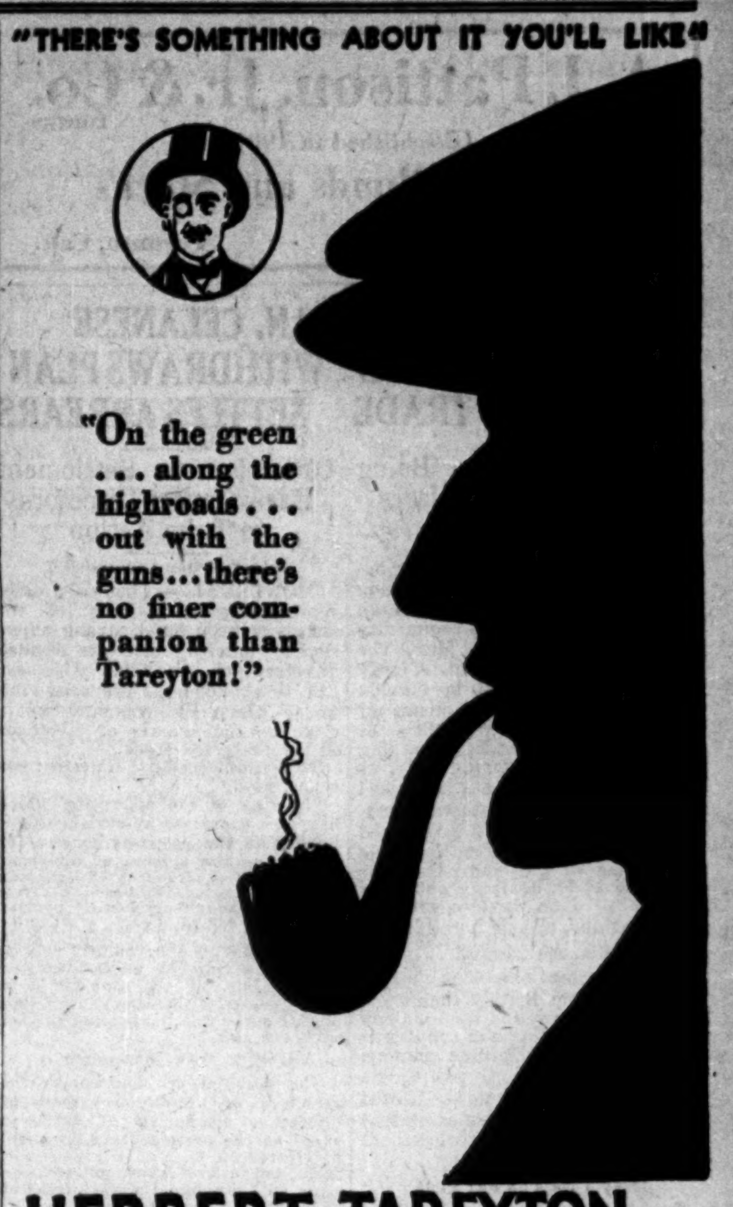
Work of the Canadian Institute of Insurance, Inc., is now under way for the season 1933-34 and for the first time Parts I, II and III in both fire and casualty courses can be supplied. The syllabus can be obtained from the secretary Thomas E. Boys, at P. O. Box 205, Winnipeg.

Other officers for the season 1933-1934 are as folows: honorary president, W. B. Lowry, Insurance Co. of North America; president, N. J. Black, Commercial Union Insurance Co.; vice-president, R. J. Parker, Western Canada Insurance Underwriters' Association; treasurer, C. R. Francis, Canadian Fire Insurance Co.

Insurance Companies Report Bonds in Default

All insurance companies licensed to transact business in Canadian provinces have been requested to file a comple list of securities held which are in default. This list is to be submitted on or before November 1, 1933, to R. Leighton Foster, chairman of the standing Committee on valuation of securities of the Association of Superintendents of Insurance of the Provinces of Canada.

The list must include securities having a fixed term and rate owned or held as security for loans by the insurer which were in default either as to principal or interest of and including October 15, 1933, and which will appear as assets in the annual statement of the insurer which is presented to the several provinces. A security is considered in default if any portion of interest or principal was not paid on due date or if payment of all or any portion of interest or principal has been deferred beyond the due date.



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CLAIM DUMP DUTY ON U. S. TINPLATE UNFAIR TO TRADE

No Manufacturing Being Done in Canada, Users Say

Dumping duty is still being assessed on tinplate entering Canada from the United States although the manufacture of this commodity ceased in Canada last May, The Financial Post is informed. A large user of this material in Canada states that this assessment of dumping duty is a contravention of the established practice regarding goods liable for dumping duty, as it was instituted and has been used as a protection for domestic manufacturers. Further, it is claimed that until recently, when the value of sterling of duty purposes was raised to $4.60, dumping duty was also collected on tinplate entering from England, although in this case tinplate is on the free list.

At the present time it is cheaper to import from Britain than from the United States and the majority of tinplate entering the country is coming from the former country. However, on occasion, rush orders have to be obtained from the United States and it is in these cases that this large dumping duty has been charged.

Duty Totals 53 Per Cent

In a letter to The Financial Post on this subject, the president of an eastern canning concern outlined the charges which had been assessed, giving a sample invoice as an example. In part, he wrote:

"The amount of a recent invoice was $3,280, but the customs people raised this for duty purposes to $3,737 plus premium on American funds, amounting to $192, making a total, on which the regular duty was assessed, of $3,929, which they considered a fair home consumption price. To this they added the regular 20 per cent duty, and then on top of that they added a special dump duty of $957, making a total of $1,743, duty on the original invoice value of $3,280. This would be about 53 per cent duty, all told."

Works For Cancellation

No objection is taken by this manufacturer to the ordinary duty on United States tinplate or to the valuation for duty purposes but he is at present engaged in attempting to obtain the cancellation of the dumping charge. So far, he has satisfied himself that no manufacturing of tinplate is going on in Canada and that no stocks remain to be disposed of. His letter states:

"When the dumping duty was assessed against us, we called the attention of the department to the fact that it was impossible to buy tinplate in Canada, as the only plant in Canada, which was situated at Ojibway, had been closed for some months. We were then given another excuse by the department that there were large stocks being held in Canada that needed protection. We then wrote the United States Steel people, who are owners of the plant at Ojibway, and we got it in writing from them that their plant was closed, and as far as stocks held in Canada, there was little or nothing on hand.

"We then wrote a formal letter to their Ojibway plant, asking for quotations on tinplate, such as we use, and they replied promptly that they could not quote us, as their plant had been closed down for some time, and they were not manufacturing, neither did they have any stocks on hand which they could quote on.

"Our tinplate is all manufactured to size, and as tinplate is shipped direct from the mill to the canning plant, there would be no place where stocks were held. Such a story is far-fetched, in fact the Canadian Manufacturers' Association, who are in close touch with all manufacturers, fully realizes there are no stocks held in Canada whatsoever, and have been doing their utmost to have the law interpreted as it has been in the past."

CAN. CELANESE WITHDRAWS PLAN SETTLES ARREARS

Objection to Settlement Basis Causes Directors to Take Action

From Our Own Correspondent

MONTREAL.—Though proxies representing a majority of the shares were in hand, strong objection by minority interests decided directors of Canadian Celanese Ltd. to abandon the proposed plan under which the company would clear up the arrears of dividends on the preferred stock.

The following official statement has been issued:

"In view of the opposition which has been expressed by certain shareholders to the proposed scheme for liquidating the arrears of dividends on the preferred shares of Canadian Celanese Limited, the board of directors — although supporting proxies have been received from a majority of the preferred shareholders as well as from a majority of the common shareholders—do not consider it in the interests of the company, in view of this opposition, to proceed further with the plan."

Offer Was Inadequate

The proposal put forward by the directors was that the arrears of dividends, amounting to $27.75 a share on the preferred stock, should be cleared off by a cash payment of $1.62 and a half share of common stock with a nominal market value of about $12, or a total of $13.62.

Minority holders of the preferred stock took exception to this proposal, saying that if the company was as prosperous as reported then the company should take steps to pay off in the arrears in cash or make a more equitable offer than the one proposed.

Objection to the plan grew rather than diminished and the maintenance of good public relations being of paramount importance to the company, the directors decided to withdraw the offer before the plan was voted on. Had the meeting been called, there is little doubt but that sufficient proxies had been deposited to assure the plan being carried.

B. C. PLEASED WITH INCREASING LUMBER EXPORTS

Britain and U. S. A. Alike Aid in Restoring Prosperity

From Our Own Correspondent

VANCOUVER.—Operations of the National Recovery Act in the west coast states are having the effect of building up British Columbia's export lumber business in spectacular fashion.

Enforcement adoption of a code by mills in the formerly strongly competitive Washington and Oregon mills has enabled the B. C. mills to steal a march on their old trade rivals, with the result that exports from this province continue to climb while those from the northwest states have dropped to the lowest levels in many years.

September shipments from British Columbia ports were not quite as large as those during August, but they showed an increase of more than 35,000,000 feet over those of September, 1932. For the nine month period of 1933 the waterborne shipments of lumber from British Columbia have been 40 per cent greater than those for the corresponding period in 1932.

U. K. Business Doubled

Brightest feature of all has been the doubling of business with Great Britain. There is no doubt that the Ottawa agreements had the effect of diverting considerable business to British Columbia, and the showing will be even better if sawmill operators have their hopes fulfilled in connection with the Soviet lumber restriction. B. C. has increased its lumber exports to the United Kingdom from 77,000,000 feet to 160,000,000 feet in a year. If the latter figure is doubled—and B. C. millmen hope that it will be—there will be business sufficient to return reasonable prosperity to the industry.

The chief difficulty of the lumbermen has been to dispose of their side-cut on a satisfactory basis. Prices are lower for all grades than the industry would like to see, and it has been hard to dispose of the lower grades of lumber on any market. China, which usually absorbs a large proportion of this side-cut, has been rather disappointing this year. The prairies, another important factor for the same reason, have also shown little disposition to buy. Growth of all Empire sales, however, has been a decidedly promising development.

Canada Paper Co. Strengthens Position

From Our Own Correspondent

MONTREAL.—New products put on the market by Canada Paper Co., controlled by Howard Smith Paper Mills, have met with a fair degree of success. At the same time the company's principal products, such as wrapping, book and writing papers, paper boxes, shipping tags, etc., have been in fairly good demand so that the total volume of business compares favorably with that reported a year ago.

Gross earnings of the company in 1932 amounted to $235,386 as against $77,396 in 1931. Net profits last year totalled $1,432 compared with a deficit in the previous year of $132,228. The bond interest, including U. S. Exchange, was earned 2.08 times.

Manitoba Supplies "Goldeyes"

Manitoba is the big Canadian producer of "goldeyes," a small and delicious freshwater fish which finds ready sale in the smoked form. A few goldeyes are also taken in Saskatchewan and Alberta.

United Amusement Co. Change Date of Fiscal Year

From Our Own Correspondent

MONTREAL.—Directors of United Amusement Co. have decided to change the company's fiscal year, which hitherto has ended on August 31, to coincide with the calendar year. It is not expected that any financial statement will be issued before that for the 16-month period ended December 31 of this year, which report will appear early in 1934.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING OCTOBER 23

Range 1933 High	Range 1933 Low	Divd. Rate	Yield in % Oct. 21	Stock	Sales	Close Oct. 16 (or last)	Week Ending Oct. 23 High	Low	Close
[illegible]									

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
October 24, 1933

	Bid October 24	Asked October 24	Bid Oct. 17
Industrial Bonds:			
Abitibi P. & P. 5% 1953	21.50	22.50	24.00
Acadia Sugar 6% 1946	91.50	93.00	91.50
Albert Bay 6½% 1942	48.00	....	48.00
Alta. Pacific Grain 6% 1946	68.00	71.00	71.50
American Sales Book 6% 1939	99.00	....	99.00
B. A. Oil 5% 1945	98.50	99.50	98.50
Can. Biscuit 6½% 1946	18.00	20.00	....
Can. Bread 6% 1941	95.00	96.50	95.00
Can. Cement 5½% 1947	72.00	74.00	74.00
Can. Steamships 6% 1941	17.00	18.00	17.50
Can. Canners 6% 1950	97.00	99.00	97.00
Can. Copper Refin. 6% 1945	104.50	106.00	104.00
Can. Cottons 5% 1940	92.00	94.00	90.00
Can. Vickers 6% 1947	43.00	45.00	44.00
Cons. Invest. 4½% 1959	52.00	55.00	55.00
Cosmos Imp. Mills 6½% 1944	85.00	....	85.00
Davies, Wm. 6% 1942	97.50	100.00	97.50
Debenture & Sec. 4% 1936	59.00	....	66.00
Dom. Tar & Chemical 6% 1949	65.00	68.00	65.00
Dom. Telegraph 5½% 1948 A	94.00	97.00	94.75
Dom. Textile 6% 1949	104.25	106.00	104.25
Dom. Woollens 6% 1948	20.00	24.00	22.00
Donnacona Paper 5½% 1948	27.00	29.00	28.00
Eaton Realty 5% 1949	89.00	92.00	90.25
Famous Players 6% 1948	72.50	74.50	74.00
Federal Grain 6% 1949	70.00	72.00	67.00
Firestone Tire 7% 1937	105.00	106.00	105.00
Fraser Cos. 6% 1932	29.50	30.50	30.00
Fraser Cos. 6% 1950	28.00	....	30.00
Galt Brass 7½% 1941	15.25	20.00	15.25
General Steel Wares 6% 1952	58.00	61.00	58.00
Goodyear Cotton 6% 1949	103.00	104.00	103.00
Great Lakes Paper 6% 1950	22.75	23.50	23.00
Gypsum, Lime & Alab. 5½% 1948	43.00	45.50	48.00
Harris Abattoir 6% 1947	100.00	103.00	100.00
Howard Smith 5½% 1953	72.00	75.00	72.00
Lake St. John 6½% 1947	32.50	34.00	34.00
Loew's Toronto 6% Serial	98.00	....	98.00
Maple Leaf Milling 5½% 1949	44.00	48.00	45.00
Massey-Harris 5% 1947	58.00	60.00	58.00
McColl-Frontenac 6% 1949	95.00	96.50	95.50
McKinnon Industries 6½% 1945	95.00	....	96.00
Mercury Mills 5½% 1953	52.00	....	50.00
Metropolitan Bldg. 7% 1944	80.00	....	82.00
Northern Ontario Bldg. 6½% 1939	65.00	70.00	65.00
Price Bros. 6% 1943	62.50	65.00	66.00
Richmond Bay 6½% 1947	60.00	65.00	60.00
Simpsons Ltd. 5½% 1949	70.00	73.00	70.00
Simpsons Ltd. 6% 1949	76.00	78.50	76.00
Steel of Canada 6% 1940	104.00	105.50	104.00
Stop & Shop 6% 1947	68.00	70.00	68.00
Toronto Carpet 6% 1944	82.00	....	82.00
United Gas & Fuel 5½% 1948	69.00	72.00	69.00
United Grain Growers 5% 1948	73.50	76.00	73.50
United Grain Growers 5½% 1949	76.00	78.00	78.00
Wabasso Cotton 7% 1942	70.00	....	72.00
Western Grain 6% 1949	60.00	65.00	68.00
Public Utility Bonds:			
Bell Telephone 5% 1955	104.00	106.00	105.00
Bell Telephone 5% 1957	104.00	106.00	105.00
B. C. Power 5½% 1960	91.00	92.50	90.00
B. C. Telephone 5% 1960	92.00	94.50	93.00
Calgary Power 5% 1960	82.50	84.00	82.50
Can. Northern Pwr. 5% 1953	76.00	77.50	....
Duke-Price Pwr. 6% 1966	70.00	72.00	76.50
French Nat'l Mail S.S. 6% 1952	130.00	....	130.00
Gatineau Pwr. 6% 1941 A	69.50	70.00	70.00
Gatineau Pwr. 5% 1956	76.50	77.50	76.00
Maclaren-Quebec 5½% 1961	80.00	81.50	80.25
Manitoba Power 5½% 1951	25.50	27.50	25.50
Montreal Isl. Pwr. 5½% 1957	96.50	97.50	96.50
Montreal LH&P 5% 1951	104.00	106.00	104.00
Montreal LH&P 5% 1970	103.50	106.00	103.50
Montreal Tram 5% 1941 July	95.50	97.50	96.00
Montreal Tram 5% 1955	72.50	74.50	73.50
Northwest Utilities 7% 1938	96.00	98.50	96.00
Ottawa Valley Pwr. 5½% 1970	98.50	100.50	98.50
Quebec Power 5% 1968	89.25	90.25	89.25
Rio Tramways 5% 1935	99.00	101.00	99.00
Shawinigan W. & P. 4½% 1970	73.00	74.50	73.00
Shawinigan W. & P. 5% 1970	82.50	83.50	82.50
Shawinigan W. & P. 6% 1967	94.50	95.50	94.50
Southern Can. Pwr. 5% 1955	98.00	99.25	99.50
West Kootenay Pwr. 5% 1956	97.00	98.50	97.00
Government, Provincial & Railway			
C. N. R. 4½% 1951 Dom. Gtd.	101.25	102.00	101.25
C. N. R. 4½% 1957 Dom. Gtd.	100.00	101.75	100.00
C. N. R. 5% 1969 Dom. Gtd.	106.00	107.00	105.00
C. P. R. 4½% 1944	75.50	76.50	71.00
C. P. R. 6% 1942	102.00	....	104.00
Dom. of Can. 5% 1936	102.00	102.50	102.00
Dom. of Can. 5% 1941	103.75	104.25	103.75
G. T. P. 3% 1962 Dom. Gtd.	81.25	82.25	81.25
G. T. P. 4% 1962 Dom. Gtd.	94.75	96.00	94.75
Ont. Hydro 3½% 1952 Ont. Gtd.	91.25	92.50	91.25
Ont. Hydro 4¾% 1970 Ont. Gtd.	100.00	102.00	100.00
Ont. Hydro 4% 1957 Ont. Gtd.	92.00	93.00	92.00
Prov. of N. B. 5¼% 1952	104.00	105.00	104.00
Prov. of Ont. 5½% 1946	107.75	108.25	107.75
Prov. of Ont. 5% 1948	103.75	104.50	103.75
Prov. of Ont. 5½% 1944	102.25	104.00	102.25

Unlisted Mining Stocks

October 24, 1933

	Bid	Ask
Abana	.03	.05
Adanac G. Un.	95.00	..
Alschbach Gold	.03½	.04¼
Athadome	..	.10
Arntfield Gold	.75	.85
Arntfield Synd.	.50	.70
Astoria Rouyn	.02½	.04½
Bathurst	.02	.03½
Beattie	1.35	1.43
Bidgood	.01¼	.02½
Brubaker Units	..	300.00
Buff. Ankerite	1.04	1.12
Bussieres Min.	.30	.45
Can. Pandora	.20	.27
Can. Radium	.06	.09
Canusa Gold	.01	.03
Cochenour-Wil. Units	15.00	20.00
Continental Gas.	..	.12
Continental Kirk.	.04	.06
Crown Reserve	.01	.02½
Delta Units	35.00	65.00
Dentonia Mines	.20	.25
Dorval Siscoe Units	..	12.00
Dunkin	.01	.02
Dunlop Cons.	.03½	.05½
Eagle Oil	1.20	1.30
East Rouyn	..	.18
Echo Bay Explor	.25	.35
Elbow Lake-Shore Un.	..	50.00
Fairmac Un.	..	10.00
Flintoba	.00¼	.01
Galatea Units	..	35.00
Garry Gold	.16	.20
Glenora Gold	.25	.35
God's Lake	.58	.61
Goldside Units	22.00	25.00
Gr. Bear Lake	.30	.35
Great. Can. Gold	.13	.15
Greene Stabell	.50	55
Herbin Lake Un.	..	20.00
Holytrex	.01	.01¾
Horseshoe	.12	.14
Island Lake	.08	.10
Kenty Gold	1.30	1.45
Kirk. Divide	.18	.23
Kirk. Gold	.16	.25
Lake Geneva	.15	.20
Lake Malartic	..	75
Lake Sawpaine	.20	.25
Little Long Lac.	.69	.72
McCarthy Webb.	.09½	.11½
McChesney Moss Un.	22.00	28.00
MacKenzie Red Lake	.44	.48
McL. Cockshutt	.20	.25
Man. & Eastern	.04	.06
Maple Leaf M.	.20	.21
Matachewan Can.	.07½	.09½
Mecca Gold	.20	.23
Metals Develop.	.03	.05½
Minaker Kirk.	.33	..
Mindoka	.01	.03
Minefinders	1.00	..
Minrand Gold	..	.33
Montreal-Alb. Petroleum	.38	..
N.A.M.E. Units	4.00	7.00
Normetal Min.	.45	.70
Northl'd Pros.	500.00	600.00
N'W Que. Pros.	15.00	25.00
Opemiska Copper	.02	.06
Oro Grande Dev.	.40	.60
Pandora	.25	.30
Peninsular Pet.	.00½	.01¼
Pontiac Rouyn	.38	.42
Quebec Pros.	2.00	..
Queen Lebel	..	.04¼
Rubec Mines	.01	.02½
Silveradium Un.	60.00	80.00
Smelter Gold	.27	.29
Sourdough Un.	5.00	..
South Tiblemont Units	48.00	58.00
Sun Bear	.27	.32
Sunorca Explor.	1.00	1.15
Swayze Contact	.15	.18
Tiblemont Island	.12½	.15½
Tom Montgomery Un.	..	150.00
Trusted Inv. Syn. Un.	16.00	17.50
Tyrrell Tp. McN.	..	40.00
West McWatters Units	..	15.00
Young Davidson	.20	.24

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
October 24, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	89.50	5.26
Alberta	5	1 July, 1943	1 Jan.	95.00	5.52
Alberta	6	1 Mar., 194?	1 Mar.	103.00	5.67
*British Columbia	4½	1 Oct., 1958	1 Apr.	89.00	5.49
*British Columbia	5	15 Jan., 1948	15 Jan.	95.50	5.45
British Columbia	6	15 Feb., 1947	15 Feb.	102.00	5.76
Manitoba	4	1 July, 194?	1 Jan.	82.50	5.84
*Manitoba	5	2 Dec., 1959	2 Dec.	94.50	5.39
Manitoba	6	1 Apr., 1947	1 Apr.	101.50	5.85
*New Brunswick	4	1 June, 1948	1 Dec.	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 Dec	101.00	4.37
New Brunswick	5½	15 May, 1950	15 Nov.	106.00	4.98
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	100.50	4.45
Nova Scotia	5	1 May, 1942	1 Nov.	102.00	4.75
*Ontario	4½	1 Sept., 1944	1 Mar.	103.00	4.14
Ontario	5	15 Oct., 194?	15 Apr.	104.75	4.56
Ontario	5½	1 Feb., 194?	1 Feb.	109.00	4.6?
P. E. I.	4	1 Apr., 193?	1 Apr.	96.90	4.66
P. E. I.	6	1 May, 194?	1 Nov.	112.00	4.81
*Quebec	4½	1 May, 1961	1 Nov.	102.00	4.13
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	85.50	5.66
*Saskatchewan	5	1 Nov., 1959	1 Nov.	91.00	5.66
Saskatchewan	6	15 Mar., 1952	15 Mar.	100.50	5.95
*Newfoundland	5	31 Dec., 1952	31 Dec.	83.00	6.55
*Newfoundland	5½	1 July, 1939	1 Jan.	85.00	8.71
*Newfoundland	6½	30 June, 1936	31 Dec.	93.00	9.70
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	104.80	4.70
*Toronto	4½	1 Jan., 1955	1 Jan.	100.00	4.52
*Vancouver	5	15 Jan., 1970	15 Jan.	93.00	5.44
Winnipeg	5	1 Mar., 1944	1 Mar.	93.50	5.84
*Edmonton	5½	1 Apr., 1947	1 Apr.	92.50	6.33
Calgary	5	1 Jan., 1948	1 Jan.	90.00	6.42
Halifax	6	1 July, 1951	1 Jan.	115.01	4.73
Saint John	5	15 Dec., 1950	15 Dec.	102.95	4.75
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	93.56	5.75
Quebec	5	1 June, 1948	1 Dec.	101.00	4.90

*Payable in New York.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
October 24, 1933

	Bid	Asked
Industrial Stocks:		
Acadia Sugar c.	1.10	1.25
Acadia Sugar 6% pfd.	3.85	4.50
Acme Farmers Dairy 7% pfd.	....	37.00
Agnew Surpass 7% pfd.	61.00	66.00
Allens London 7% pfd. bonus c.	33.00	....
Allens St. Cath. 7% pfd. bonus c.	33.00	....
Allens Toronto 7% pfd. bonus c.	20.50	....
Andian Nat. U.S. Funds	25.25	27.50
Atlantic Sugar A pfd.	81.00	....
B.C. Pulp & Paper pfd.	7.00	....
Canada & Dom. Sugar	32.50	34.00
Canada Mach. c.	3.50	5.50
Canada Mach. pf.	20.50	....
Canada Packers c.	35.00	37.00
Canada Pack. pf.	100.00	103.00
Canada Starch 7% pfd.	71.50	....
Canada Starch c.	4.25	....
Canada Tea 7% pfd.	45.50	57.00
Canada Wire & Cable 6½% pfd. WW	61.00	65.00
Can. Industries com. A	105.00	....
Can. Industries com. B	104.00	109.00
Can. Industries 7% pfd.	120.00	124.00
Can. Westing.	41.00	46.00
Chase, A. W., pfd. bonus c.	12.50	16.00
Claude Neon Gen. Adv. Units	4.00	6.00
Dom. Foundries & Steel 8% pfd.	45.00	50.00
Dom. Foundries & Steel com.	4.65	6.25
Dom. Mfrs. 7% pfd.	....	60.50
Dunlop Tire 7% pfd.	56.00	62.00
Eastern Dairies Ltd 7% pfd.	....	25.00
Edmonton Stockyards Units	....	50.00
Federal Grain 6½% pfd.	24.00	27.00
A. J. Freiman pfd.	46.50	53.00
General Steel Wares pfd.	12.00	14.00
Goderich Elevator & Transit	3.75	5.00
Greening Wire 7% pfd.	45.00	53.00
Guelph Carpet 6½% pfd.	67.00	....
Guelph Carpet c.	5.50	....
Inter City Baking com.	16.25	18.50
Inter. Proprietaries A	30.00	32.00
Loew's London c.	.30	.75
Loew's London pfd.	3.25	4.25
Loew's Toronto 7% pfd.	60.00	66.00
Mansfield Theatres pfd.	15.50	....
Massey-Harris 5% pfd.	12.00	14.00
Medical Arts pfd. bonus c.	95.50	....
Mount Royal Hotel com.	.40	.75
Mount Royal Hotel 6% pfd.	3.00	....
Nat. Grocers c.	1.60	1.90
Nat. Grocers 7% pfd.	91.00	95.00
Paramount Kitchener pfd.	31.00	....
Para. Oshawa c.	2.00	....
Para. Oshawa pfd.	32.00	....
Provincial Paper 7% pfd.	63.00	67.00
Reliance Grain 6½% pfd.	40.00	42.00
Rolland Paper 6% pfd. WW	42.00	48.00
Service Stations A pfd.	20.00	25.00
Standard Clay Products c.	....	15.00
Standard Fuel 6½% pfd. bonus	67.50	....
Supersilk pfd. bonus	30.50	....
Supertest Petroleum B pfd.	20.50	....
Toronto Elevators 7% pfd.	85.00	....
Toronto Housing c.	....	18.50
United Corpns. Ltd. A	5.15	....
United Corpns. Ltd. B	1.70	....
United Grain Growers	9.00	12.00
Ind. Stocks cont'd		
Western Grain 6½% pfd. bonus	12.00	16.00
Western Grocers pfd.	84.00	90.00
Willards Chocolates pfd.	12.00	....
Wood, Alex. & James pfd.	16.00	21.00
Insurance Stocks:		
Br. Amer. Assce.	23.00	....
Canada Life Ass.	420.00	....
Can. Fire Ins.	55.00	60.00
Confederation Life 20% pd.	120.00	128.00
Continental Life 20% pd.	30.00	40.00
Crown Life Ins.	95.00	....
Dom. Fire Ins.	85.00	....
Dom. Life 50% pd.	155.00	....
Dom. of Can. Gen. Ins.	100.00	111.00
Empire Life 25% pd.	9.00	12.00
Excelsior Life 30% pd.	75.00	....
Federal Fire 25% pd.	37.00	....
Fidelity Ins. Co.	47.50	....
Great-West Life Assce.	325.00	350.00
Guar. Co. of N.A. fully paid	220.00	238.00
Guar. Co. of N.A. 20% pd.	40.00	48.00
Imperial Life	280.00	....
Mfrs. Life Ins.	235.00	246.00
Monarch Life 10% pd.	22.00	25.50
National Life 25% pd.	54.00	63.00
Saskatchewan Life 10% pd.	7.75	12.00
Sovereign Life 25% pd.	20.00	23.00
Sun Life Assur.	375.00	400.00
Western Assur. c.	16.00	18.00
Western Life 20% pd.	7.25	11.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	131.00	145.00
Can. Gen. Investments Ltd.	4.40	4.90
Can. Investors Corp.	5.10	7.00
Chartered Trust	60.50	....
Debenture & Sec. com.	2.00	....
Debenture & Sec. 5% pfd.	14.00	....
Dom. & Anglo Invest. Units	170.00	....
Dom. Scottish Inv. Units	17.50	22.50
Eastern Can. Sav. & Loan	112.00	115.00
Eastern Trust	135.00	142.00
Guelph & Ont. Inv. par $50	45.00	51.00
Investment Foundation Units	29.00	32.00
Lambton Loan & Savings	45.00	53.00
London & Western Trust	45.50	50.00
Security Loan & Savings	90.00	....
Sherbrooke Trust	100.00	109.00
Sterling Trust	....	45.00
Traders Finance A com.	.55	....
Traders Finance 7% A pfd.	33.00	....
Trusts & Guar.	28.50	33.00
Victoria Trust & Savings	130.50	139.00
Waterloo Trust & Savings	90.00	110.00
Power Issues:		
B.C. Elect. Pwr. & Gas 6% pfd.	98.50	101.00
Calgary Power 6% pfd.	76.50	80.00
Can. Light & Power com.	20.00	24.00
Can. West. Nat. Gas LH&P pfd.	78.50	82.00
Maritime Tel. & Tel. c.	8.60	9.75
Maritime Tel. & Tel. 7% pfd.	10.25	11.75
N. B. Telephone c.	8.25	9.25
Nova Scotia L&P com.	25.00	31.00
Nova Scotia L&P 6% pfd.	72.00	75.00

Recent London Quotations:

Brewers & Distillers	10s.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	26s. 3d.
Do., 5% pref.	92s. 6d.
Internat. Holdings	$2 3/16
Nfld. Pr. & Pap. deb. stock B	95
Trust & Loan of Can.	3s. 4d.

Listed Bond Quotations

Week Ending October 23, 1933

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Montreal								
Abitibi, 1st mtge.§	5	1953	...	21½	...	...	18	13
Asbestos	5	1942	...	32	...	...	*65½	49
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	3.11	...	...	...	84½	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Pr. (Laur.)	5½	1958	...	4	...	...	5	3
Do., (Way. Ser.)	5½	1958	...	4	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	...	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	2.75	...	...	3.00	1.00
Mex. L. & Pr.	5	1940	...	†59	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	44	44½	43¾	47½	39½
Mont. Tr. 1st mtg.§	5	1941	5.57	96	...	...	98½	95½
Mont. Trams. A§	5	1955	7.44	...	...	...	81½	58
Do., G & Ref. B	5	1955	7.44	...	73⅞	...	74½	73½
Do., C	4½	1955	9.03	...	...	...	57	57
Do., D	5	1955	6.86	...	...	...	77½	76½
N. S. Steel	5	1959	...	...	...	...	*62½	58
Ontario Steel	6	1943	7.4	87½	...	...	90	80
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	103¾	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	75	...	...	79	75
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*101½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	107.25	....	....	116.25	107.00
Do.	5½	1934	3.77	101.25	....	....	102.60	101.15
Do.	5½	1937	3.17	108.25	....	....	110.25	109.25
Do., refund	4½	1940	4.31	100.50	....	....	101.25	99.70
Do., refund	5	1943	4.49	103.25	....	....	104.90	101.85
Do., refund	4½	1944	4.43	100.00	....	....	100.50	98.75
Do., refund	4½	1946	4.43	99.75	....	....	*92.25	91.50
Do., renewal	4	1952	4.35	94.75	....	....	95.25	91.63
Conversion Loan	4½	1956	4.45	99.40	....	....	100.70	97.00
Do.	4½	1957	4.50	99.40	....	....	99.00	96.00
Do.	4½	1958	4.50	99.25	....	....	100.50	97.75
Do.	4½	1959	4.50	100.25	100.00	....	108.87	97.50
Nat. Service Loan	5	1936	3.86	102.50	....	....	103.25	101.50
Do.	5	1941	4.50	102.50	....	....	103.75	100.75
Dom. Loan	4	1935	3.60	100.00	....	....	99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	....	....	....	....	....

†Latest ask. ‡Quotations for 1930. ^For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Bank of Montreal	$8	$2	Dec. 1	Oct. 31
Bank of Toronto	10%	2½%	Dec. 1	Nov. 15
Beatty Bros. pref.	$6	$1.50	Nov. 1	Oct. 14
B. C. Telephone 2nd pref.	$6	$1.50	Nov. 1	Oct. 15
Belding Corticelli c.	$4	$1	Nov. 1	Oct. 14
Blue Ribbon pref.	$2	50c	Nov. 1	Oct. 25
Can. Industries A & B	$3.50	87½c	Oct. 31	Sept. 30
Canadian Bronze	60c	15c	Nov. 1	Oct. 20
Do., pref.	$7	$1.75	Nov. 1	Oct. 20
Canada Iron pref.	3%	1½%	Nov. 15	Oct. 31
Can. Dredge pref.	7%	1¾%	Nov. 1	Oct. 18
Calgary Power pref.	6%	1½%	Nov. 1	Oct. 14
Can. Converters	$2	50c	Nov. 15	Oct. 31
Colonial Nat. Gas (units)	$6	50c	Oct. 16	Oct. 16
Can. Bank of Commerce	$8	$2	Dec. 1	Oct. 31
Can. Investors	40c	10c	Nov. 1	Nov. 14
Canadian Oil	50c	12½c	Nov. 15	Nov. 1
Do., pref	$8	$2	Jan. 1/34	Dec. 20
Coast Breweries	22c	22c	Nov. 1	Oct. 20
Eastern Twps Tele. c.	72c	18c	Jan. 15/34	Dec. 31
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dom. Scottish Inv. pfd.	$1	25c	Nov. 1	Oct. 20
Guelph Carpet	..	75c	Nov. 1	Oct. 20
Do., pref	6½%	1⅝%	Nov. 1	Oct. 20
Hollinger Gold	65c	5c	Nov. 4	Oct. 20
Do. extra	...	5c	Nov. 4	Oct. 20
Humberstone Shoe	$2	50c	Nov. 1	Oct. 14
Inter. Nickel pref.	7%	1¾%	Nov. 1	Oct. 2
Imperial Bank	10%	2½%	Nov. 1	Sept. 30
Inter. Utilities, prior pfd.	$7	$1.75	Nov. 1	Oct. 16
Do.	$3.50	87½c	Nov. 1	Oct. 16
Montreal Telegraph	$3.20	80c	Oct. 13	Sept. 30
McIntyre Porc. M.	$1	25c	Dec. 1	Nov. 1
Do., extra	...	12½+12½c	Dec. 1	Nov. 1
Mercury Oils	...	4c	Jan. 2	Nov. 30
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
National Biscuit pfd.	$7	$1.75	Nov. 29	Nov. 15
Quebec Power	$1	25c	Nov. 15	Oct. 27
Penmans	$3	75c	Nov 15	Nov. 6
Do., pref.	$6	$1.50	Nov. 1	Oct. 21
Quarterly Inc. Shares	...	3c	Nov. 1	Oct. 15
Royal Bank	8%	2%	Dec. 1	Oct. 31
Russell Motor pref.	$4	$1	Nov. 1	Oct. 20
Second Std. Royalties pfd.	4c	1c	Nov. 1	Oct. 25
St. Law. Flour	$1.50	37½c	Nov. 1	Oct. 20
Do., pref.	7%	1¾%	Nov. 1	Oct. 20
Steel of Canada	$1.20	30c	Nov. 1	Oct. 7
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 7
Shawinigan W. & Pr.	50c	12c	Nov. 15	Oct. 25
Southern Can. Power c.	80c	20c	Nov. 15	Oct. 31
Simpson, Robt., pref.	6%	3%	Nov. 1	Oct. 16
Teck Hughes	60c	15c	Nov. 1	Oct. 10
Toronto Elevators, C	..	$1	Dec. 1	Nov. 15
Weston, Geo., Pref.	$7	$1.75	Nov. 1	Oct. 20

Dividend Rate Reduced:
Southern Can. Power c. Nov. 15, $1 to 80c. per annum.

TECK'S DIVIDEND IS SAFELY EARNED DUE TO GOLD PRICE

Net Profits for Fiscal Year 67 Cents Per Share — Cash Up

Annual report of Teck-Hughes Gold Mines for the fiscal year ended August 31, 1933 shows a net profit of $3,229,010, equivalent to 67 cents per share outstanding as compared with dividend requirements of 60 cents per share. This compares with a net profit of $3,723,291, or 77 cents per share in the previous fiscal year. The normal value of the production declined, while the exchange compensation paid on the gold was equivalent to 24 cents per share.

The following tabulation shows the comparative income and surplus account figures for the last two years:

Income & Surplus Account Years Ended Aug. 31

	1933	1932
	$	$
Bullion production	4,982,776	5,953,687
Less oper. exp.:		
Devel. & explor.	491,714	595,222
Mining	1,118,275	1,054,386
Milling	459,409	472,490
General exp.	270,541	237,310
Taxes	374,012	437,881
Exam. new prop.	14,993	......
Operating earnings	2,258,832	3,156,398
Add non-oper. income:		
Exch. comp.	1,156,399	798,487
Int. & exch.	107,411	72,065
Total net earnings	3,522,642	4,026,950
Less: Deprec.	293,632	303,659
Net profit	3,229,010	3,723,291
Less: Divds.	2,884,286	3,122,644
Surplus for year	344,724	600,647
Add: Prev. surplus	3,361,554	2,722,111
Prem. on shares	......	30,050
Profit on secs. sold	......	54,092
Less: Additional income tax for prev. year	21,000	45,296
Silicosis assess.	86,856	......
Balance forward	3,648,421	3,361,554
*Deficit.		
Earnings per Share and Dividend Record:		
Common: Earned	$0.67	$0.77
Paid	.60	.60+.05
Shares Outstanding as at August 31:		
Common, par val. $1	4,807,144	4,807,144

During the year 474,500 tons of ore was treated. The normal value of the bullion recovered was $4,982,776, or equivalent to $10.47 per ton, as compared with 475,700 tons averaging $12.52 per ton in the previous fiscal year.

Mining Lower Grade Ore

D. L. H. Forbes, president of the company, commented that while the recovery was less, the higher price for gold made it profitable to mine certain grades of mine rock that were formerly considered waste.

Depth development was reported to give encouraging results in the finding of new ore as far down as levels were opened up and the average grade of ore on the 40th or deepest level compared favorably with that of any level below the 25th. Dr. Forbes draws attention to the indication that though the quality of gold to be obtained per block of five levels decreases below the 25th level, with increasing depth, the development of the next block of five levels from the 40th to the 45th will be continued in the confident expectation that the return will be such as to warrant development being continued to greater depths.

Ore Reserves Up

Positive ore reserves were increased by 53,492 tons to 679,981, but the grade showed a slight decline to $11.42 per ton.

During the fiscal year $271,704 was spent on the exploration and development of the company's two gold prospects—Vicour Gold Mines and Lamaque Gold Mines. The results at the Vicour to date were reported as not encouraging, but at the Lamaque development has been rewarded with the finding of ore of a fair grade and with indications of some large lenses and many scattered irregular ore bodies.

The liquid position of the company showed an increase notwithstanding the heavy expenditures made on the properties under development. Current assets in excess of current liabilities were $3,323,202 on August 31, 1933, as compared with $3,039,331 at the end of the previous fiscal year.

B. C. Mines Dept. Checks Up Zeballos River Gold Finds

From Our B. C. Mining Correspondent

VICTORIA.—George A. Clothier, resident mining engineer of B. C. Mines Department for the Vancouver Island section, will examine the lode gold properties on Zeballos River, from which encouraging reports have been made when he makes his seasonal tour of the area, it was stated by officials of the Mines Department.

Values from ore already treated at a customs smelter are encouraging, with considerable staking taking place along the valley in the vicinity of the find, declared one government official.

Independent inspection of the Zeballos River area will be carried out by provincial engineers in due course, as a result of reports by private operators of the potential richness of the field.

Canadian Pacific Express Travellers Cheques Are World Currency

Carry them on your next trip and be assured of travel comfort.

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5 LOW PRICED STOCKS

The recent market reaction has brought some stocks to bargain levels. The October 25th Financial World will contain a brief analysis of 5 attractive stocks under $10 per share. This speculative group has profit possibilities. Return this "ad" and $1 for the next four issues of The Financial World. You will also receive the latest issue of "Independent Appraisals of Listed Stocks." This 52-page manual gives our ratings and vital data on 1300 listed stocks.

THE FINANCIAL WORLD 53 F.P. Park Place New York

Huronian Mining, Finance Group of Mining Companies Are Slated for Consolidation

In order to consolidate, simplify and reduce overhead expenses, shareholders of Huronian Mining & Finance Co., Vipond Consolidated Mines and the Keeley Silver Mines are given notice of a merger of the three companies into a new Ontario incorporation known as the Anglo-Huronian, Ltd., and are asked to approve the action of the directors at meetings of the three interested companies to be held in Toronto on November 24.

Anglo-Huronian, Ltd., will have an authorized capitalization of 2,000,000 shares of no par value and the assets of the three companies will be transferred to, and the liabilities assumed by, this new company on the basis of one new share for each five shares in the three existing companies.

The three merging companies are closely associated in management and for many months the directors of the respective companies have had under consideration an amalgamation such as is now proposed. In addition to the closely associated managements there is a further interlocking through the ownership of shares in the respective companies as follows:

	Keeley	Vipond	Huronian
Huronian owns	289,251	401,528	none
Keeley owns	none	78,788	554,025
Vipond owns	none	none	304,125

In order to prevent the cancellation of these interlocking shares in the amalgamation and the resulting reduction in the capital structure of the new company it is proposed in effect to offer the total of the above interlocking shares, or the equivalent of these shares, in the form of shares in the new company to shareholders of the three merging companies at the equivalent of 40 cents each.

As at July 31, 1933, certified balance sheets of the respective companies showed liquid assets and investments, as well as the interlocking shares of the three companies carried at 40 cents each, as follows:

	Cash less liabilities	Outside investments	Interlocking shares at 40c.	Total
Huronian	$ 298,814.65	$ 822,550.76	$276,309.60	$1,397,675.01
Keeley	716,732.11	644,289.91	253,125.20	1,614,147.22
Vipond	766,762.74	761,042.65	121,650.00	1,649,455.39
	$1,782,309.50	$2,227,883.32	$651,084.80	$4,661,277.62

In addition to the cash and outside investments, which can be accurately compared, the various mining properties of the three merging properties will be vested in the new company. The exchange of shares in the three companies will require the issue of approximately 927,064 shares of the new company's stock.

Rights At $2 Per Share

In addition to the exchange, shareholders of the merging companies (other than the merging companies) are offered rights to purchase shares in the new company at $2 per share on the basis of seven new shares for each 100 shares held in the merging companies. This will require an issue of an additional 324,473 shares.

The shares offered as rights to shareholders of the merging companies are firmly underwritten by the Transvaal Agency, Ltd., R. Home Smith and André Dorfman. Therefore, upon completion of the amalgamation and the exercising of the rights there will be 1,252,605 shares of the new company outstanding. This compares with 6,263,026 outstanding shares of the merging companies and will leave a balance of 747,395 shares in the treasury of the new company.

In addition to the liquid assets and the investments of the three merging companies each holds mining properties of undetermined value. The Huronian Mining & Finance Co. has several groups of raw and partially developed claims in various parts of the Dominion. The Keeley Silver Mines ceased to be an active mining operation in October, 1931. The Vipond Consolidated Mines, while still operating, is fast nearing depletion and was only able to show a small operating profit this year due to the high price of gold.

Liquid Assets $4,000,000

The combined liquid assets and investments of the three companies exclusive of the interlocking share interest are approximately $4,000,000 which places a value of approximately $4 per share on the stock that will be issued under the merger plan. As against this rights are offered to shareholders to purchase 324,473 shares at $2 per share.

Shareholders of record of November 25 of the three merging companies are entitled to exercise rights to purchase shares in the new company at any time between November 27 and December 11. No fractional shares will be issued but such fractions will be sold in the market and shareholders paid their proportionate interest.

Trusts & Guarantee Co. of Toronto, acts as Canadian transfer agents and the Anglo-Canadian Trustees, Ltd., London, acts for British shareholders.

B.C. Nickel Sponsors Not U.S. Motor Magnates

"Sell 'Em Ben Smith" Disclosed as Man Behind New Financing Deal That is Stirring Up Interest in Company

From Our Own Correspondent

VANCOUVER.—Big plans are announced by the B. C. Nickel Mines and already an impressive crew of some 300 men are at work on the roads and property, but instead of Edsel Ford and E. L. Cord, the motor magnates, being behind the enterprise as the recent publicity indicated, it is "Sell 'em Ben Smith," Col. Victor Spencer and David Sloan, who have figured so prominently in attracting attention to Pioneer Gold Mines of B.C.

Construction of a 4,200-foot tunnel, will be started in a few days as machinery is now being hauled in.

Share capital of the company is to be increased from 3,000,000 to 6,000,000 shares. The new interests in control of the company will turn in several groups of claims and option agreements on property surrounding the company's own holdings, and they are paying off all the obligations as well as placing the company in a sound financial position. They glibly talk of making the enterprise one of the large chrome-nickel producers.

The value of the ore is said to lie in the proportionately large content of chromium, associated with the nickel.

Included in the company's programme is establishment of a mill, smelter, refinery and hydro-electric plant. A shareholders' meeting will be held early next month at which details of the agreement with Messers. Smith, Spencer and Sloan will be revealed.

At the Mines

Aldermac Mines — On the 375-ft. level high-grade copper-pyrite ore is reported as encountered. The extent of the high-grade has not been delimited.

* * *

Amulet Mines—Shares of the company will be removed from trading on the Standard Stock & Mining Exchange on October 23 owing to the merger of the company with the Waite-Ackerman-Montgomery Mines to form the present company of Waite-Amulet Mines, Ltd.

* * *

Arntfield Gold Mines—Sinking its No. 2 shaft to the immediate objective of 500 feet is expected to be completed by the end of October. A station has been cut at a depth of 375 feet. At No. 3 shaft a depth of 100 feet has been reached and a crosscut is being driven to the vein which showed values of approximately $10 per ton where cut.

* * *

Buffalo Ankerite—A new level has been established at 737 feet where the No. 5 vein was cut in sinking the winze from the 600-ft. horizon to an immediate objective of 1,150 feet. The value of production for the first ten days of October was $1,500.

* * *

Bussieres Gold Mines — Power for operations has been curtailed this summer owing to low water, but production in September was decidedly better and met all operating costs.

* * *

Central Patricia Mines — Diamond drilling on the Springer claims cut a five-ft. vein at a depth of 50 feet. At 70-ft. depth the vein was still shown in the drill core.

* * *

Gold Harbour Mines—Initial gold production was made last week from the company's property near Moresby Island, British Columbia. Incorporated early this year the company erected a small mill and the first brick weighed some 62¾ ozs.

* * *

Granby Consolidated Mining, Smelting & Power Co.—The operating loss in the third quarter ended September 30, 1933, was reduced to $166,708 from $302,912 reported in the second quarter. The loss on operations for the nine months ended September 30 was $694,418. Earnings before depreciation and depletion for the nine months' period were $215,508.

* * *

Island Lake Mines—A special meeting of shareholders is called for November 2, 1933, to receive a report on the company and consider proposals for financing the company. Ventures Ltd. has financed the company to date and the notice says that among other routine business to be considered is a by-law "confirming an agreement between Ventures, Ltd., and Island Lake Mines as to the mining operations carried on by Ventures on Island Lake properties, settling accounts between Ventures and the company up to Aug. 31, and setting out the terms upon which Ventures is to be repaid for moneys now owing by the company and future advance made."

* * *

Lamarque Gold Mines—Under the direction of Teck-Hughes Gold Mines, work is reported as most encouraging. The No. 5 shaft is rapidly reaching its objective of 500 feet and development is said to be giving a lot of information most favorable to making a mine.

* * *

Little Long Lac Mines—The shaft is down just over 300 feet toward an immediate objective of 425 feet. On the 200-ft. level ore ranging from eight to 10 feet has been reported exposed. As soon as the shaft is completed, lateral work will be started on four levels. Officials are talking a 100-ton mill for the property.

* * *

Smelter Gold—Diamond drilling on the No. 1 vein has started and reports advise that the main vein has been uncovered for 1,300 feet showing a width of some seven feet.

* * *

Spooner Oils — A financial statement covering the 16 months ended June 30, shows a production of 22,583 barrels of naphtha valued at $59,159. A. G. Spooner, president of the company, calls attention to $5,107 expended by the company in its legal battle against the validity of the Turner Valley Gas Conservation Act.

* * *

Tiblemont Island Gold Mines—In a mineralized zone 50 feet wide traced for 3,000 feet on the surface, a vein has been explored, ranging from two to seven feet in width for a length of approximately 200 feet. Officials are highly encouraged by the developments to date and an adit is being driven in from lake level to intersect the veins showing on the surface. A mining plant is in order and it is expected that the adit will reach the vein system before the end of the year.

Balmer Neilly Addresses Sudbury Mining Institute

Ten years ago Dr. C. V. Corless startled the members of the Canadian Mining Institute at their annual meeting by proclaiming, in his presidential address, that the future of Canada rested upon its mineral production rather than upon its agricultural products. Less than 15 per cent of the Dominion's area, he pointed out, is capable of yielding crops, whereas three-fifths of the area is underlain by the metal-bearing formation of the great Pre-Cambrian shield, in addition to large mineral areas throughout the remainder of the country.

Ten weeks ago Premier Bennett, on his return from Europe brought out the same point in a slightly different way. He pointed out that Canada's wheat exports are not of such great relative volume in the world's markets, as has been believed by most Canadians. He likewise remarked that we must foster our export markets for minerals, which are rapidly assuming such important dimensions and in some instances constitute a preponderating part of the world's supply.

These and other equally pertinent points were brought out recently by Balmer Neilly, president of the Canadian Institute of Mining and Metallurgy, in addressing the Sudbury Branch of the Institute. He emphasized that the general public had no adequate conception of what the mining industry really is and what it means to the country as a whole.

Alberta Petroleum Output Improves

September deliveries of petroleum to the Alberta refineries were the greatest recorded since March, 1932. Total receipts in September were 67,412 barrels, bringing the nine months production of 1933 to 511,862 barrels.

Receipts by the various refineries for September and the nine months period are as follows:

TURNER VALLEY DELIVERIES

	Barrels Sept.	Barrels Jan. Sept.
Imperial Refinery		
Crude naphtha	57,293	404,304
Crude oil	4,507	39,285
Total Imperial	61,800	443,589
Regal Refinery		
Crude naphtha	......	15,594
Bell Refinery		
Crude naphtha	5,612	52,176
Deliveries, Sept., 1933	67,412	511,362
Deliveries, Aug., 1933	68,339	440,471
Deliveries, July, 1933	63,000	372,132
Deliveries, June, 1933	67,072	309,132
Deliveries, May, 1933	64,601	242,060
Deliveries, April, 1933	45,763	177,459
Deliveries, March, 1933	48,900	131,696
Deliveries, Feb., 1933	38,807	82,796
Deliveries, Jan., 1933	43,989	......

Prices of petroleum, effective since September 11, 1933, in the Alberta field, are as follows:

	Bbl.
Naptha—	
Clear naptha	$3.50
Discolored naptha	3.26
Oil—	
Crude oil, 50° up	2.93
Crude oil, 45-49.9°	2.26
Crude oil, 40-44.9°	1.61

Richfield Cariboo Gold Makes Progress With Adit

In a report to shareholders Richfield Cariboo Gold Mines advises that its main adit is currently 450 ft. in from the portal. At a distance of 280 ft. from the portal a two-ft. vein came into the foot of the tunnel and in 310 ft. a 30-inch vein was encountered which came almost to the top of the tunnel. Channel assays across 18 inches averaged $5.20 per ton.

The plan of the company, however, is to drive the adit in about 600 ft. to encounter the downward extension of veins exposed on Bald Mountain, Cariboo district, some 800 ft. above the adit.

Work started in the middle of July last and plans have been laid for continuing developments throughout the winter season.

New Exchange Member

F. STUART MOLSON

Who has been elected a member of the Montreal Stock Exchange. Mr. Molson was also recently elected a member of the Montreal Curb Market.

Cariboo Goldfields Ships Ore From Moyie Property

From Our B. C. Mining Correspondent

VICTORIA.—The first carload of ore was shipped from the Moyie property of the Cariboo Goldfields Ltd., at the end of last week, according to word received here from C. P. Riel, managing director.

At the Moyie property, development ore will be shipped as it is taken out, as the tunnel is being driven on a full face of ore. The vein is stated to be five and a half feet in width and to assay $11 a ton over the entire width. Meantime, winter development with a crew of 25 men is planned, and work is already under way on a warehouse, blacksmith shop and a second bunkhouse.

At the company's Comstock property in the Bridge River area, the company's 25-ton caterpillar shovel, a new departure in surface prospecting in the district, is reported to have exposed a strike in cutting the first 750 feet of bedrock trench, 10 feet wide.

At another point on the Comstock property a shaft was sunk for 30 feet on a vein which was five feet wide on the surface. Values are increasing with more arsenical content as depth is gained.

ADVERTISING LINAGE OFF IN SEPTEMBER

Returns Ahead of August Last, But Less Than Year Ago

From Our Own Correspondent

MONTREAL. — An increase of 6,300,000 lines of advertising in September as compared with the previous month is reported by Media Records Inc. Last year the advance from August to September was 14,160,000 lines, while the average gain for this period in the past four years was 16,600,000 lines.

The linage comparisons for September, consequently, made a poorer showing than in August. Editor and Publishers' linage index, which had risen with no important setback from a low of 53.4 last March to 78.8 in August, dropped back to 73.4. As compared with last year, the September linage stood at 99.6 per cent, whereas August had reached 109.5 per cent.

Some Gains Registered

The total linage reported in September was 92,617,963, compared with 86,338,635 in the previous month and with $93,002,658 in September, 1932.

In comparing the returns for the major divisions in September this year with the same month last year, it is noted that increases were recorded in general, automotive and departmental store advertising, while retail, and financial were somewhat lower.

Both the two main divisions—display and classified—registered small declines.

Mining Stock Quotations

Week Ending October 23.

Par Val.	Range 1933 High	Low	Company	Sales	Close Oct. 16 (or last)	High for week	Low for week	Close Oct. 23
1	.02½	.00¾	Aconda	3,000	.01	.01	.01	.01
No	.30	.03	Aldermac	6,900	.21½	.22	.18	.20
1	.03¾	.01	Alexandria	5,500	.01½	.01½	.01	.01½
No	.06	.01½	Algoma	15,000	.01½	.01½	.01½	.01½
1	.10½	.00½	Algonquin	500	.00½	.00½	.00½	.00½
1	.06	.00½	Amity C.	21,650	.03½	.03½	.02½	.02½
No	.75	.10	Amulet	22,292	.40	.40	.37	.40
1	.01	.00½	Apex	......	.00½	.....	.....	.....
1	.07½	.01½	Area	4,500	.04	.03½	.03	.03
No	.11	.03	Arno (new)	6,500	.05	.05	.03	.04
1	1.36	.74	Ashley	240	1.05	1.10	1.00	1.00
1	.14	.02½	Bagamac	5,500	.02½	.03½	.03	.03½
1	.03	.00¾	Baldwin	12,000	.01½	.01	.00½	.01
1	.20	.08	Barry Hollinger	84,700	.11½	.13½	.10	.12
1	2.45	.75	Base Metals	27,900	1.80	1.95	1.60	1.65
1	1.29	.60	B. E. A. R.	105,250	.68	.81	.65½	.81
1	.45½	.29	Big Missouri (new)	25,950	.40	.38½	.29	.32
1	.28½	.08½	Bobjo	33,200	.20	.20	.18	.19
No	13.25	2.28	Bralorne	7,425	9.25	10.70	9.00	10.10
1	.25	.14	Brett Trethewey	22,200	.16½	.16	.14	.15
50c	.32	.32	B. C. Ex. Gold	200	.....	.32	.32	.32
1	.07½	.01½	Brownlee	33,400	.02	.02½	.01½	.02
1	.08	.00¾	Buckingham	19,000	.01	.01½	.01	.01
No	.09½	.01½	Buffalo Can.	122,000	.04	.08	.04	.07½
5	20.50	15.40	Bulolo	370	19.00	19.50	19.00	19.50
No	.10	.01½	Bunker Hill	84,800	.06½	.07½	.07	.07
5s	1.25	.60	B'Wana McKubwa	.....	.75	.....	.....	.....
No	.05	.02½	Canam Metals	.....	.04	.....	.....	.....
1	.12½	.03	Can. Kirkland	72,800	.07½	.08½	.07½	.08
No	.60	.32	Can. Malartic	17,550	.48	.52	.45	.49
1	.02	.00¾	Capital Rouyn	14,000	.01	.01	.00¾	.00¾
1	.03½	.02	Cartier Malartic	10,000	.01½	.01½	.01½	.01½
1	.72	.15	Castle Trethewey	19,350	.41½	.45	.41	.43
1	.20	.06	Cen. Manitoba	56,550	.14	.16	.13	.16
1	.73	.17	Cen. Patricia	52,825	.47½	.59	.47	.54
No	.20	.03	Chibougamau Pros.	36,600	.05	.06	.04	.04½
No	.12	.03	Church. M. & Mill.	51,900	.12	.12	.09½	.11½
No	.04	.00¾	Clericy	25,400	.02	.02½	.01½	.01½
1	.03	.01	Clifton Cons.	16,000	.01½	.01½	.01½	.01½
5	9.00	1.65	Coast Copper	1,215	3.00	4.25	3.20	3.25
1	.15	.00½	Cobalt Contact	52,000	.03½	.04½	.03	.04½
1	.33	.05	Columario	13,000	.16	.16	.14	.15
5	1.90	.75	Coniagas	100	1.24	1.20	1.20	1.20
No	1.00	.20	Coniaurum	6,571	.80	.90	.80	.83
25	144.00	54.00	Cons. Smelters	6,693	120.00	124.00	104.00	114.50
No	40.00	13.60	Dome Mines	30,595	33.50	36.50	31.00	35.30
No	.15½	.03½	Dom. Explorers	4,500	.04½	.05	.04	.05
1	.02½	.00½	Dominion Kirk	22,200	.02	.02	.01½	.01½
1	.04	.01	Don Rouyn	5,000	.01½	.01½	.01	.01
1	.04½	.01½	Duparquet	3,500	.03	.01½	.01½	.01½
1	8.10	1.16	Eldorado	123,780	2.60	3.40	2.62	3.07
No	4.55	1.80	Falconbridge	10,970	3.10	3.40	2.97	3.15
1	.06	.01	Federal	7,000	.02½	.02½	.02½	.02½
No	.07	.01	Gilbec	7,500	.02	.02½	.02	.02
1	.17	.04	Goldale	18,700	.11	.12	.10	.11
10	.29	.10	Goldfield	1,300	.17½	.20	.16½	.16½
.	.01½	.01	Gold Reef	.....	.01	.....	.....	.....
1	.23	.02	Goodfish	26,600	.16	.17	.15½	.17
1	.04	.01	Graham	3,000	.02	.02	.01½	.01½
1	1.95	.55	Granada	57,840	.60	.67	.55	.61
1	.18	.06	Grozelle	4,700	.10	.08	.07	.08
1	.45	.24	Halcrow Swayze	800	.35	.34	.33	.33
1	.06	.02	Harker	3,000	.03	.03½	.03	.03½
1	.01½	.00½	Hilltop	2,000	.00½	.00½	.00½	.00½
5	11.00	6.00	Hollinger	25,101	9.70	10.20	9.40	10.29
1	1.51	.61	Howey Gold	81,295	1.04	1.15	1.00	1.06
No	12.25	3.10	Hudson Bay	4,071	9.00	9.35	8.45	8.90
No	.55	.25	Huronian	300	.40	.50	.45	.50
1	13.00	8.50	Inter. Mining	.....	12.35	.....	.....	.....
No	23.25	8.00	Int. Nickel	107,465	18.00	19.00	16.75	18.50
1	.04½	.00½	Jackson Manion	67,100	.03	.04	.03	.03½
1	.70	.20	Keeley	1,920	.52	.52	.50	.52
1	.02	.00½	Keora Mines	14,000	.01	.01½	.01	.01½
1	.76	.48	Kirk. Hud. Bay	2,000	.55	.53	.50	.50
1	.02½	.00½	Kirk. Hunton	1,500	.00½	.00½	.00½	.00½
1	.52	.29	Kirkland Lake	99,200	.29	.39	.30	.37½
1	.04	.01½	Kirkland Premier	15,132	.02½	.03	.02½	.02½
1	.52	.12	Kirk. Townsite	38,600	.25	.29	.25½	.27½
20c	.02½	.00½	Koot. Florence	2,500	.01½	.01½	.01	.01
1	.35	.15	Lakeland	60,450	.21	.26	.20	.25½
No	.32	.07	Lake Maron	46,500	.12½	.14	.11	.11½
1	50.50	30.75	Lake Shore	13,854	45.50	49.00	44.20	48.30
1	.23½	.02½	Lebel Oro	191,000	.10	.15½	.10	.14
No	.29	.11	Lee Gold	34,900	.15	.17	.14	.15½
1	1.29	.20	Macassa	266,520	.87	.98	.87	.95
1	.07½	.01	Malrobic	108,200	.01½	.02	.01½	.01½
No	.17	.02½	Mandy	6,800	.10	.09½	.09	.09
No	.07	.01	Manitoba Basin	22,000	.02	.02	.01½	.02
5	47.50	21.20	McIntyre	25,755	37.00	42.00	33.75	40.30
1	.55	.30	McKinley	75	.50	.50	.50	.50
No	.08	.01½	McLeod River	23,700	.02	.02½	.01½	.01½
1	.35	.03	McMillan	22,200	.26	.31	.26	.29
No	1.15	.39	McWatters	47,400	.45	.52	.43	.45
1	1.05	.15	McVittie	81,130	.80	.93	.80	.87
5	1.25	.06	Mentor Exp. & Dev.	.....	1.05	.....	.....	.....
1	.45	.30	Metropolitan Gold	2,000	.39	.41	.39	.41
No	2.65	1.20	Mining Corp.	6,565	1.65	1.80	1.55	1.65
1	.05	.01½	Moffatt Hall	66,500	.02½	.02½	.02	.02½
1	.12½	.02	Moneta	4,000	.06½	.07½	.06	.07½
1	.00½	.00½	Montreal Rouyn	.....	.00½	.....	.....	.....
No	.12½	.05	Moss (new)	250	.05	.05	.05	.05
1	.03½	.00¾	Murphy	500	.01½	.01½	.01½	.01½
No	.06½	.02½	Newbec	5,500	.02½	.03	.02½	.02½
1	.06½	.01½	Night-Hawk Penn.	10,000	.05½	.05	.04½	.04½
5	3.50	1.15	Nipissing	17,415	2.10	2.45	2.11	2.35
No	39.25	19.75	Noranda	50,898	31.50	33.15	29.50	32.05
No	.52	.30	Nor. Canada	8,700	.32	.36½	.30	.36½
No	.50	.19½	Normont-Gold	32,885	.49	.50	.48½	.50
1	.34	.05	Osisko	6,500	.16	.17	.16	.16
1	.46	.11	Parkhill	92,175	.30	.39	.30	.38
1	.08½	.01	Pawnee Kirk	.....	.01½	.....	.....	.....
1	.29	.20	Paymaster	39,300	.25	.27	.24	.26
1	1.80	.50	Pend Oreille	5,975	.80	.80	.66	.75
1	.04½	.00½	Peterson Cobalt	4,000	.01½	.01½	.01½	.01½
1	16.25	4.30	Pioneer Gold B. C.	19,020	9.50	11.15	8.60	10.35
1	.03	.00½	Porcupine Crown	3,500	.02	.02	.02	.02
1	.01½	.00½	Potter Doal	2,000	.00½	.00½	.00½	.00½
1	1.60	.55	Premier Gold	21,875	1.04	1.08	.98	1.04
1	.03½	.00½	Preston E. Dome	2,600	.02½	.02½	.01½	.01½
No	1.75	.55	Prospectors Air's	3,700	.65	.62	.55	.55
No	.15	.03	Quemont	.....	.13	.....	.....	.....
1	.51	.30	Read Authier	4,900	.35	.35	.30	.32
1	2.75	.70	Reno Gold	74,375	.84	.89½	.70	.77
1	.03½	.00½	Ribago	25,000	.01½	.01½	.01½	.01½
1	.03	.01½	Ritchie	12,000	.01½	.01½	.01½	.01½
1	.04½	.01	Robb Montbray	2,100	.02	.02	.01½	.01½
1	1.60	.75	San Antonio	29,479	1.20	1.40	1.21	1.32
1	.07	.02	Seven Troughs	.....	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	81,377	.85	.95½	.80	.95
1	1.78	1.25	Siscoe	85,620	1.36	1.45	1.35	1.40
1	.10½	.02½	South Keora	6,000	.03½	.04	.03	.04
No	.16	.10½	Stadacona (new)	38,700	.14½	.15	.10½	.12½
1	.60	.07	St. Anthony	22,000	.30	.30	.27	.27
No	2.21	.60	Sudbury Basin	13,965	1.03	1.13	.95	1.05
1	.15	.00½	Sudbury Contact	4,700	.08½	.08	.07½	.07½
1	.02½	.00½	Sudbury Mines	11,000	.02	.01½	.01	.01½
No	.28	.16½	Sudbury Nickel	.....	.28	.....	.....	.....
1	.38½	.14	Sullivan	12,850	.17	.18	.15	.17½
1	1.44	.72	Sylvanite	73,945	1.10	1.25	1.05	1.20
1	.03½	.01½	Tashota	.....	.01½	.....	.....	.....
1	7.25	3.70	Teck Hughes	58,845	5.60	6.15	5.50	5.95
1	.20	.03	Thom. Cadillac	37,400	.14	.14	.11	.13
1	.61	.10	Towagmac	11,100	.41	.45	.35	.38
1	3.00	1.00	Treadwell	700	1.20	1.10	1.00	1.00
1	.25	.04	United Kirkland	9,700	.18	.19	.15½	.16½
No	.06½	.01½	Vacuum Gas	5,000	.01½	.01½	.01½	.01½
No	2.40	.30	Venezuela	.....	1.06	.....	.....	.....
No	1.50	.71	Ventures	82,850	.75	1.05	.71	.76
1	.22	.01½	Vickers	1,000	.01½	.02	.02	.02
1	.72	.20	Vipond	11,045	.51	.52	.45	.52
No	1.20	1.20	Waite Amulet	438	.....	1.20	1.20	1.20
No	2.55	.35	Waite Ackerman	600	1.00	1.05	1.05	1.05
50c	.72	.33	Wayside	137,550	.30	.46	.35	.45
No	.29	.18	White Eagle	32,425	.21	.23	.18	.21
1	.08	.02½	White Lake	1,000	.03½	.03	.03	.03
1	.28	.02	Wiltsey Coughlan	48,600	.17	.20	.15	.15
1	.27	.06	Wood Kirkland	6,000	.07	.11½	.07½	.11
No	8.60	3.73	Wright-Hargreaves	58,315	7.00	8.10	6.80	8.00

OIL STOCKS

Par Val.	Range 1933 High	Low	Company	Sales	Close Oct. 16 (or last)	High for week	Low for week	Close Oct. 23
No	.32	.07½	Acme Gas & Oil	42,250	.14½	.17	.13	.15
No	.01	.01	Advance Oils	.....	.01	.....	.....	.....
1	.04½	.04½	Admiral	.....	.04½	.....	.....	.....
1	1.60	.55	Ajax	16,550	1.12	1.16	1.05	1.14
1	.68	.05	Alta. Pacific	5,990	.16	.16	.14	.15
1	.20	.05	Amalgamated	30,350	.13	.13	.10	.11
No	1.10	.04½	Associated	2,400	.20	.20	.18	.19
No	.26	.01	Baltac	3,000	.04½	.06	.05	.05
No	2.50	.25	Calgary & Ed.	2,300	1.00	.91	.80	.80
1	.45	.03	Calmont	4,650	.10	.10	.09	.10
1	.25	.03½	Common. Pete.	500	.10	.07	.07	.07
No	2.50	.11	Dalhousie	9,300	.35	.40	.34	.35
No	.19	.02	Devenish	700	.10	.09	.08	.08
No	.55	.05½	East Crest	17,500	.26	.31	.25	.25
No	.36	.20	Erie Gas	.....	.20	.....	.....	.....
No	.02	.00½	Fabyan Pete	38,000	.01	.01	.00½	.00½
No	1.75	.06	Foothills	500	.45	.40	.40	.40
No	.28	.06	Freehold	10,200	.11	.10	.07	.09
No	.12	.01½	Hargal	1,840	.10	.11	.05	.05½
No	4.05	.30	Home	36,830	1.20	1.40	1.15	1.32
No	.05	.02½	Homestead	.....	.02½	.....	.....	.....
1	.25	.10	Homestead O. & G.	4,100	.13	.14	.12	.13
No	.47	.10	Lowery	.....	.20	.....	.....	.....
No	.06½	.02½	Madison	9,500	.03½	.03½	.02½	.02½
No	.20	.05½	Marjon Oil	1,100	.12	.13	.10	.10
1	1.85	.14	Mayland	.....	1.40	.....	.....	.....
No	.10	.03½	McD. Segur Ex.	6,500	.05	.04½	.04	.04
.	.08½	.05½	McD. Segur N.	.....	.07	.....	.....	.....
1	1.10	.25	McLeod	1,400	.36	.30	.30	.30
No	.30	.07½	Mercury	47,975	.19	.18½	.15	.17
No	.45	.11	Merland	4,500	.20	.22½	.21	.21
.	.01½	.01	Mid West	.....	.01½	.....	.....	.....
No	.35	.09	Mill City Pete	150	.18	.17	.17	.17
1	.50	.12	Model	6,300	.26½	.27	.20	.24
5	.30	.09	Nordon	15,200	.11½	.11	.10	.11
No	.12½	.02½	Oil Selections	23,300	.05½	.06	.05	.05½
No	.20	.04	Okalta	1,000	.08	.04	.04	.04
No	.61	.20	Olga Gas & Oil	5,500	.30	.30	.27	.30
1	.25	.13	Petrol Oil & Gas	1,500	.16½	.18	.16	.16
No	.02	.02	Richfield	.....	.02	.....	.....	.....
No	23.00	5.75	Royalite	1,334	13.00	13.00	12.50	13.00
1	.25	.05	Sarnia Oil	700	.09	.10	.08	.10
No	.45	.04	South West Pete.	.....	.15	.....	.....	.....
1	.39	.06	Spooner	1,050	.25	.25	.23	.24
No	.75	.12	Sterling Pacific	1,050	.30	.30	.25	.25
.	.43½	.43	Trinidad Oil	.....	.43½	.....	.....	.....
No	.25	.03	United	31,150	.07	.07	.05	.05
No	.25	.06	Vanalta	200	.13	.08	.08	.08
No	.08	.00½	Wainwell	6,600	.02½	.02½	.02½	.02½

VANCOUVER STOCK EXCHANGE
(Transaction for Week to October 18.)

Par Val.	Range 1933 High	Low	Company	Sales	Close Oct. 9 (or last)	High for week	Low for week	Close Oct. 18
25c	.03	.00½	Bayview	4,000	.01	.01½	.01	.01½
20c	.10½	.02½	Beaver Silver	27,300	.06	.06½	.05	.06
25c	.17	.03	Big Slide	15,377	.03½	.05	.03½	.03½
25c	.06½	.02	Bluebird	.....	.02½	.....	.....	.....
No	13.00	1.38	Bralorne	11,459	11.75	11.25	9.00	9.65
1	.57	.05	Bridge River Cons	52,450	.30	.30	.21	.24
50c	.71	.28	Bridge River Exp.	62,000	.41	.44	.28	.33½
100	89.00	88.50	B.C. Electric, pfd	.....	88.50	.....	.....	.....
1	.60	.33	B. C. Nickel	51,700	.33	.60	.35	.52
1	1.50	.60	B. C. Silver	500	1.00	1.00	.90	.90
No	.82	.52	Burns Mountain	.....	.55	.....	.....	.....
1	4.60	1.50	Cariboo Gold	46,941	3.60	3.50	2.50	3.00
No	12.90	5.60	Coast Breweries	391	10.05	10.00	9.50	9.50
25c	.02½	.00½	Cork Province	3,000	.01	.01	.01	.01
1	.05	.02½	Cotton Belt	.....	.05	.....	.....	.....
1	.08	.01½	Dalhousie Mines	.....	.03	.....	.....	.....
1	.21½	.02	Dunwell	6,384	.17	.18	.13	.15
1	1.00	.28	George Copper	.....	.30	.....	.....	.....
50c	.12	.03	Geo. Enterprise	.....	.03	.....	.....	.....
1	.09½	.02	Georgia River	36,400	.02½	.02½	.02½	.02½
1	.60	.16	Golconda	1,900	.31	.30	.30	.30
50c	1.25	.40	Gold Belt	2,450	.45	.60	.50	.60
1	1.50	.95	Golden Belle	.....	1.50	.....	.....	.....
50c	.11	.03	Grandview	16,200	.03½	.04	.03	.03½
1	.01½	.00½	Independence	.....	.00½	.....	.....	.....
1	.03½	.01	Indian Mines	.....	.02	.....	.....	.....
1	.17	.08½	Inter. Coal	2,000	.12	.12	.10½	.10½
1	.36	.36	Jack Waite	.....	.36	.....	.....	.....
50c	.57	.20	Kootenay Belle	3,075	.26	.25	.20	.21
25c	.04	.00½	Kootenay King	2,000	.01½	.02	.02	.02
25c	.01	.00½	L. & L.	14,000	.00½	.00½	.00½	.00½
1	.01	.00½	Lakeview	62,500	.00½	.00½	.00½	.00½
10c	.06½	.01	Lucky Jim	500	.04½	.04	.04	.04
50c	.01½	.00½	Marmot Metals	.....	.00½	.....	.....	.....
10c	1.05	.20	Meridian Mines	146,200	.35	.36	.25	.27
.	.10	.10	McGillivray Creek	2,000	.....	.10	.10	.10
5c.	.13	.04½	Metaline Metals	.....	.04½	.....	.....	.....
.	.01	.00½	Mohawk	23,000	.00½	.00½	.00½	.00½
.	.17	.05	Mogul	1,800	.08	.05½	.05	.05½
50c	.41	.15	Morning Star	30,200	.22	.25	.15	.17
1	.06	.00½	Morton Woolsey	4,500	.02	.01½	.01	.01
1	.29	.05½	Native Sons	96,350	.09	.11	.07	.09
50c	.10½	.01½	National Silver	63,300	.05½	.05½	.04½	.04½
50c	.96	.74	Nicola	25,550	.95	.95	.87	.89
50c	.21½	.02½	Noble Five	59,900	.10	.10	.07	.08
50c	.01	.00½	Oregon Copper	.....	.01	.....	.....	.....
1	.35	.20	Pavilion	.....	.15	.....	.....	.....
1	1.25	.40	Pioneer Extension	.....	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	1,955	12.00	11.50	9.40	9.40
1	.11	.10	Planet	.....	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	20,100	.10	.08	.07	.07
No	.04	.00½	Premier Border	51,100	.01½	.01½	.01	.01
1	.10	.02	Quatsino Copper	3,600	.03	.02½	.02½	.02½
No	.42	.10	Reeves McDonald	600	.18	.17	.16	.17
1	.30	.25	Reliance	.....	.27	.....	.....	.....
1	2.70	.60	Reno Gold	32,770	1.00	1.00	.80	.82
1	.22	.04	Reward Mining	12,200	.08½	.11	.06½	.07
1	.10	.01	Rufus Argenta	14,000	.03½	.03	.02	.02
1	.07	.01	Ruth Hope	1,000	.02½	.02½	.02½	.02½
1	.65	.40	Sally Mines	.....	.45	.....	.....	.....
1	.15	.03½	Silverado	.....	.06½	.....	.....	.....
25c	.09	.01	Silver Crest	20,000	.02½	.03	.02	.02
20c	.03½	.00½	Silversmith	.....	.00½	.....	.....	.....
50c	.04½	.01	Snowflake	16,000	.01	.01½	.01½	.01½
25c	.06	.06	Sonora	.....	.06	.....	.....	.....
1	.61	.40	Standard Gold	.....	.40	.....	.....	.....
1	.50	.20	Sunloch	100	.24	.25	.25	.25
5	.40	.20	Toric	.....	.40	.....	.....	.....
50c	.03½	.00½	Topley Richfield	10,500	.01½	.01	.00½	.00½
50c	.72	.08	Wayside	62,750	.47½	.50	.38½	.42
25c	.12	.01½	Waverly Tangier	86,800	.02½	.03	.01½	.01½
20c	.05	.01½	Wellington	8,000	.02½	.02	.01½	.01½
No	.36	.23	White Eagle	4,000	.25	.23	.20	.20
1	.18	.03	Whitewater	19,500	.07	.06	.05	.06
1	.48	.40	Yankee Belle	.....	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	7.01	McLeod Oils†	5c.	.....
Coast Brew.	92c.	.....	Mercury Oils	4c.	.....
Coniagas‡	12½c.	.....	Merland Oils‡	5c.	.....
Coniaurum†	3c.	.....	Noranda‡	50c.	.....
Cons. Smelters*	10%	.....	Petrol Oil	*2c.	.....
Dome Mines	$1+55c.	4.39	Premier	12c.	11.53
Falconbridge	20c.	.....	Pioneer, B.C.	60c.	5.79
Goldfield Cons.‡	5c.	.....	Royalite	50c.	.....
Hollinger	65c.+10c.	7.35	Siscoe	12c.	8.57
Howe Sound	$1	.....	Sterling Pacific Oil‡	3c.	.....
Int. Coal & Coke‡	2c.	.....	Sylvanite	4+3½c.	.....
Lake Shore	$2+$1	6.21	Teck-Hughes	60c.	10.08
McIntyre	1.87½	4.65	Wright-Har.	20c.+10c.	3.75

*Stock. ‡Interim. †Initial. *Paid in 1932.

Newfoundland Seeks Continuance Of Empire Marketing Board

Editor, The Financial Post,

Great Britain has the greatest open market in the world and we all want to see it expand still more.

The Ottawa Conference of 1932 set the pace for greater expansion of Dominion products in Great Britain and also inter-Dominion trade. When foreign countries place tariff obstructions against England and her Dominions, we must do the same until reasonable reciprocal treaties are obtainable; then let fair trade win.

The Empire Marketing Board had two wings,—

1. Standardize your products. Let scientific research show your products are equal to or better than any that can be produced.

2. Great Britain will then use every method in her power to increase the sale of these goods in the United Kingdom.

The scientific research has proved itself a great success. It has not alone studied the merits of Imperial products, but has shown methods whereby these resources can be improved in production and manufacture.

The benefit of this research work is seen at home, in the Dominions, and in all directions throughout the Empire. We all want to see it continued.

Never Spent Allotment

The Empire Marketing Board had a fund of one million pounds or almost five million dollars per annum at its disposal when it first started. It never spent all of this allotment. In the year 1931, £213,000, practically one million dollars was spent in advertising Empire products for sale in Great Britain. This money was spent in newspaper advertising, posters, leaflets, lectures, broadcasting, exhibitions, cinemas, etc. The Dominions all protested against the way this money was spent. The fund of one million pounds per annum was alloted originally by the British government to help the sale of the oversea Dominion products on the British markets.

The Empire Marketing Board, when placed in control, conceived the idea that the home-made British products must get first consideration. This money was wholly British funds, and as the British held the control of the board, they spent it according to their wishes, hence the disagreement.

Asks Reorganization

The project of the Empire Marketing Board is a good one, and instead of being abandoned it should be reorganized. We all want to knit the British Empire closer together, and there is no better way than trade relationship, whereby each is benefitted. Great Britain is the market for the overseas Dominions, and they in turn must be reciprocal markets for the British products.

The scientific research work is undoubtedly satisfactory, and has the confidence of all. They are disinterested parties, expressing official statements regarding quality. Therefore, it will be convincing with the general public, who are the consumers. To do away with the Empire Marketing Board as a selling agency, you throw away your greatest argument, as the seller is a directly interested party, whose arguments on quality will always be discounted.

Fairy Godmother

What is wanted is a reorganizing of the selling methods in Great Britain. Let the Dominions, through their high commissioners and trade commissioners in London, all work together with the Empire Marketing Board, and help each other to sell their products on the British markets. At the same time these high commissioners, who are working together in London, must organize an outlet for British products in the overseas Dominions, and also reciprocal intertrade between the Dominions themselves.

The attitude of the overseas Dominions has been that Great Britain is a fairy godmother, who has a bountiful market for their products, but must look out for herself, if she ever expects any recompense.

Let us reorganize a London Empire Marketing Board, with branches in every Dominion, whose best efforts will be given to expand British trade wherever it is possible.

W. A. MUNN.

St. John's, Nfld.,
Oct. 13, 1933.

Urges Banks to Lend

Editor, The Financial Post,

It is a waste of good money having a banking commission and scrapping over a central bank. It would not make much difference to the average business man whether we had banks or not as they are of very little help to him. The banks may have money to lend but just try and borrow any from them. If you had a couple of thousand dollars in gilt-edged securities you might get a couple of hundred dollars provided of course that the local manager had a good breakfast before coming to the office. All that is needed is banks that will give credit where credit is due, but not at the whim of the local manager or a head office who instructs him to make loans and then ties his hands in doing so.

WESTERNER.

Moose Jaw.

Bondholder Puzzled

Editor, The Financial Post,

At the end of September I read in the Montreal Gazette the extraordinary news that the Montreal Tramways Co. increased its common stock dividend from 8 per cent to 9 per cent.

It is a known fact that traffic and passenger transportation is still on the down grade.

Old employees are being laid off and salaries lowered, while revenue is still going down.

The 1955 5 per cent bonds of the company sold as low as 59 this year and are still available around 73.

Can you or any of your numerous readers explain to me how a utility company operating under the given circumstances can afford to increase its common stock dividend?

Being a bondholder, I think it is a case where bondholders will eventually have to look out for themselves.

With anticipated thanks,

J. J. MELCHERS.

Montreal, Que.

Loan Applications Ignored

Editor, The Financial Post,

The article on page 5 of your issue of October 21 that the handling of detail work by the Finance Department at Ottawa was highly creditable is somewhat of a joke, the biggest error being that subscriptions must actually have been in the hands of the nearest branch of the Assistant Receiver General by noon Saturday the 14th instant. What this ruling meant was that orders left with dealers and branch banks in say Halifax (the only point in Nova Scotia at which the Receiver General is represented) before noon had orders filed whereas at other points more than a few hours journey from Halifax, applications were turned down wholesale simply because mails did not permit orders reaching the Assistant Receiver General if dispatched later than the 12th or 13th.

In common I suppose with other dealers in the smaller places I placed my orders with the branch banks as particularized by clients, the result being that twenty-five per cent of my sales for the five days campaign were unfilled. Practically none of the orders placed after the 12th were filled. I understand that the procedure of the branch banks was to forward applications to the main office in Halifax who in turn passed them on to the Assistant Receiver General. In one case only did I get proper service and that was by the local branch of the Bank of Nova Scotia whose manager very properly telephoned his Halifax branch giving a summary of the applications in the mail and asking that the Receiver General be advised. In his case only, all my orders were filled even those filed as late as 11 a.m. on the 14th.

In my humble opinion the Deputy Minister should have ruled that orders placed with branch banks not later than noon Saturday would be considered for allotment and not to have discriminated in favor of parties residing in cities where the Receiver General is represented.

You are at liberty to use this letter.

B. GODDEN.

New Glasgow, N.S.
Oct. 21, 1933.

Dairy factories in the Province of Quebec output in September is estimated at 4,200,000 pounds, a decrease of 7.1 per cent from September, 1932, figures. Butter production is estimated at 8,600,000 pounds, decrease of 1.4 per cent from September, 1932, figures.

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The Week in Mining

Inflation in United States

PRESIDENT ROOSEVELT in his radio address on October 22, definitely committed the Reconstruction Finance Corp. to the policy of purchasing newly mined gold in the United States at a figure to be fixed. The president also stated that the United States was "on its way" to achieve a managed currency and higher prices and these two statements had the immediate effect of sending the securities of the gold producers, not only in the United States but also in Canada, to new high levels.

The fact of the Reconstruction Finance Corp. setting a new and higher price for newly mined gold in the United States has no direct bearing on the price Canadian gold producers will receive even though the stock market appreciation of the gold shares might seem to have indicated such a bearing. The indirect influence is that with the United States fixing the price of gold at higher levels than parity and at levels near or possibly higher than those prevailing in the London, England, market, which governs the world price, it will likely strengthen the world price. Although the gold production of the United States is less than ten per cent of the world total, of which the British Empire supplies over fifty per cent, the withdrawal of the United States gold production from the London market will doubtless be noticed. The immediate effect of the president's address respecting his gold policy had no other effect on the world market than to send gold down a few cents to $30.52 per ounce in Canadian funds. What the ultimate effect will be is a matter of conjecture, but if ever the United States purchases its new-mined gold at higher than the world price it is conceivable that the psychological effect would be far reaching and that world gold prices would soon be on a comparable basis.

Canadian holders of gold securities would do well to remember that, important as is the new policy of the United States respecting buying of gold, it is United States production they are buying, not Canadian or other world production, and that the London market is the world market and not the prices established by Washington.

Though Canadian gold shares whisked to new record levels, with advances of over 25 per cent from Saturday to Monday, investors should understand that these prices are based on the possible earnings resulting from gold being fixed at present or higher levels in terms of the present currency. It also takes for granted that costs of production will remain about the same and that these anticipated earnings are going to be sustained.

Profit Possibilities

In Junior Mining Enterprises

Howey
Little Long Lac
Macassa
Parkhill
Great Bear Lake
Eldorado
B.E.A.R.

This month's Mining Chronicle features several Junior Mines having every indication of becoming profitable producers. Mining investors should avail themselves of this current news and analysis of profit possibilities.

Copies will be mailed upon request.

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Submit your list for our opinions

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WAverley 1633

Price of Gold

The Standard Value of Gold is $20.67 per ounce.

The Market Value of Gold in the past two years has risen to over $30.00 per ounce. Ontario Mines are today producing Gold at the rate of $170,000 per day, in Canadian Funds.

The output for 1933 is estimated at 62 Million Dollars in Canadian Funds.

Ontario Department of Mines
HON. CHARLES McCREA,
Minister of Mines
Toronto, Canada

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President and Managing Director,
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TORONTO, CANADA

Canadian Mining News

KENTY GOLD POWER WILL BE DECIDED EARLY NEXT YEAR

Property Rapidly Shaping Up Which Will Permit Decision on Mill

CASH POSITION GOOD

Drifting is Proceeding on Ten Faces as Broad General Picture is Unfolding

Kenty Gold Mines, the pioneer find in the Swayze area of Ontario, is rapidly approaching the stage where officials of the company can, with confidence, decide on a mill construction programme. Lateral work underground is being advanced at the rate of 650 ft. per month and before February next year it is anticipated that developments will have progressed sufficiently far that its mill construction programme will be announced. At this time decision will be reached on the installation of hydro electric power. Overtures have been made to the company by the Hydro Electric Power Commission of Ontario to supply it with electric power from its Abitibi-Sudbury transmission line some 90 miles distance.

At the present time two Diesel engines supply power for development at an economical rate and while the company could use more power to advantage, it would serve little more than speeding development and would add substantially to capital cost; therefore, until decision is reached on a milling programme the question of electric power is being held in abeyance.

Has Good Management

The Kenty property has attracted the eyes of the mining fraternity of Ontario ever since its discovery two years ago. Under the management of Frank L. Trethewey as president and managing director and under the technical direction of E. C. Corkill as consulting engineer, work at the property has progressed unostentatiously, but in an aggressive and economic manner. Since the installation of the Diesel plant a year ago the underground development programme has been vigorously pressed. Two shafts, 1,800 ft. apart, have been sunk to a depth of 500 ft. to explore the network of high grade vein systems found on the surface. At the No. 1 or westerly shaft, levels have been opened up at intervals of 125 ft. and crosscutting to the veins has been done. To date the amount of crosscutting has exceeded the amount of drifting. The No. 3 vein, encountered on the surface, was intersected some 80 ft. north of the shaft on the 250 ft. level; in the shaft at the 375 ft. level and about 80 ft. south of the shaft on the 500 ft. level. From the No. 1 shaft six faces are presently drifting in the vein matter.

Officials Say Little

At the No. 2 shaft crosscuts north on the No. 3 vein have been completed on the 250 and 500 ft. levels and four faces are drifting on the vein, making ten faces in which drifting is being conducted. Plant facilities accommodate about five rounds daily, two of which are in the crosscuts. On the 250 ft. and 500 ft. levels crosscutting is proceeding southward toward the No. 9 vein to the south.

The best showing underground to date has been from the 250 ft. level at the No. 1 shaft although it is known that high grade ore has been encountered in the various vein intersections. Owing to the public interest in the Kenty Gold Mines being exceedingly limited, officials are not disposed to wax loquacious about their developments. Those who are most familiar with the development concede that work is progressing in a thorough, systematic and most economic manner. There are many veins and the policy of sinking the shaft and crosscutting is regarded as the speediest and soundest method of determining their value. Owing to the extensive vein system, all of which requires thorough prospecting, the time required to obtain a broad genial picture is naturally greater than if following a single, well defined vein.

Good Cash Position

Under $10,000 per month has been spent by the company on development and its treasury is in an excellent position with some $170,000 in cash. When the company was formed, vendors of the property provided $100,000 for the treasury. Kirkland Lake Gold Mining Co. has an option on the balance of treasury shares at an average cost of some 86 cents per share and to date has provided the company with $215,000, and further funds are assured as required.

In order to split its investment in Kenty, Kirkland Lake Gold Mining has sold and optioned a block of its share to the Central Mining and Finance Co., at such a price that Kirkland Lake's holdings of Kenty cost it practically nothing. This deal has been negotiated by Dr. J. B. Tyrrell, president of Kirkland Lake Gold Mining.

Second Relief Property Ships Third Gold Brick

From Our Own Correspondent

NELSON, B.C.—The Second Relief gold property, 12 miles from Erie, B.C., on the north fork of the Salmon River which was purchased by the Wm. N. O'Neill Co., from the Relief-Arlington Mines, some months ago, is showing conspicuous results. In a little over four months operation the No. 1 vein on the fifth level has been opened up for over 700 feet, the greater portion of this distance being in ore.

Operation of the remodelled 35-ton mill, began in mid-July, on ore from the new development. Three cars of concentrates—the gold in the concentrates constituting about half the main product—have so far been shipped to Trail, and three gold bricks have been turned out from the free milling gold and shipped to Ottawa, the last one valued at about $5,000.

A mill of 100 tons capacity is in contemplation for next year if ore expectations are realized.

Additional mining news on page 15 this week

Hydro Planning 1,000 h.p. Plant On Albany River

Indications are that Pickel-Crow area in the Patricia district will be served by hydro electric power sooner than the general public expects. In August two engineers from the Hydro Electric Power Commission were making power surveys on the Albany River, as exclusively reported by The Financial Post. This survey was being made in anticipation of the power requirements of Central Patricia Mines, which is to bring its property into production early next year on an initial basis of 65 tons daily, also to serve the adjacent development of John E. Hammell.

At the present time hydro engineers are designing a 1,000 h.p. hydro electric plant for the Albany River. This plant will operate under a head of about 20 ft. and the extensive water flow will permit further expansion, if desired. It is believed, however, that 1,000 h.p. will be ample for the developments in the area as presently foreseen.

The hydro electric power site under consideration is four miles below Atikokiwan Lake, about 26 miles from the Crow River properties.

Both the Central Patricia Mines and the Hammell property are equipped with steam power plants and both have cut considerable wood for fuel. The installation of a steam power plant is not seen as a total loss, however, even if hydro electric power is made available because heating of boilers will still be required as will the wood for fuel. The clearing of the land surrounding the site of operations to guard against fire hazards provided the principal wood supply.

NICKEL REPORTED TO BE INCREASING REFINERY HOLDING

Sale of Ventures Shares in Ontario Refinery Significant

The announcement in last week's issue of The Financial Post that Ventures Ltd. had paid up its $250,000 loan to Nipissing Mines by the sale of its Ontario Refining Co. shares carries with it broader interest because International Nickel plans increasing its Ontario Refining holdings, The Financial Post is informed.

The Ontario Refining Co. was incorporated in 1929 and completed the construction of a 120,000 tons annual capacity copper refinery at Copper Cliff, in August, 1930, primarily to treat the blister copper produced by the International Nickel Co. The latter company owns 42½ per cent of the 100,000 no par value capitalization and 42½ per cent is owned by the American Metal Co., while Consolidated Mining & Smelting Co. of Canada owns 10 per cent and Ventures, Ltd., 5 per cent, or 5,000 shares.

For many years the American Metal Co. acted as refining agents and sales agents for the blister copper produced by International Nickel and it was natural that they should be interested financially when decision was reached to build a copper refinery at Copper Cliff. The situation was altered materially in June, 1923, when the United States inaugurated a four cents per pound tariff against imported copper. This effectively barred the sale of Canadian copper in the United States and to a large extent nullified the interest of American Metal in the sale of Canadian copper. Since June, 1932, the copper production from International Nickel has been principally marketed in Europe, largely through Amalgamated Metals, Ltd., and owning the British Metals Corp., and Henry Gardner & Co.

American Metal Reported Selling

It is now reported that American Metal is selling at least a part of its interest in Ontario Refining to International Nickel.

At the time Ontario Refining Co. was formed it was understood the agreement called for controlling interests to have the first option on any stock that was to be sold, in order that undesirable outside interests would not become shareholders in the undertaking. It is also regarded as probable that International Nickel will ultimately acquire complete control of Ontario Refinery and indications point to the fact that this transfer of ownership is about to be an accomplished fact.

It is known that International Nickel has not directly purchased the Ontario Refining shares held by Ventures Ltd. This leaves American Metal as the logical purchaser with control passing to International Nickel as imminent.

Ontario Gold Output Down For September

September gold production by the gold mines of Ontario was the lowest of any month in 1933, with an output having a normal value of $3,366,898, bringing the total normal value of production for the nine months period to $32,884,782. In the Porcupine camp the order of production was: Hollinger, McIntyre, Dome, Coniaurum, Vipond, Buffalo-Ankerite and DeSantis. In the Kirkland Lake camp the order of production was Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Toburn, Ashley, Kirkland Lake Gold. In Northwestern Ontario the order was: Howey, Minto and Moss.

Individual mines in the order of output for September were: Hollinger, Lake Shore, McIntyre, Dome, Teck-Hughes, Wright-Hargreaves, Sylvanite, Howey, Coniaurum, Vipond, Buffalo Ankerite, Toburn, Ashley, Kirkland Lake Gold, Moss, Minto.

Metal Prices

New York—October 24—
Copper: Electrolytic spot, 7⅝c. lb.
Silver: 37⅛c.

London—October 24—
(Long Ton)—
Copper: Electrolytic spot, £36; future, £37. Standard spot, £32 15s; future £32 17s 6d.
Tin: Spot, £222 15s; future £222 12s 6d.
Lead: Spot, £11 10s; future £11 17s. 6d.
Zinc: Spot, £15 12 6d; future, £16.
Silver: 18 1-16d. per ounce.
Gold: 128s. 1d.

Canada—October 24—
Gold: $30.52.

VIPOND SHOWS $18,918 PROFIT IN LAST STAND

Merger Planned to Consolidate Interests of Holding Company

The eleventh and final annual report of Vipond Consolidated Mines, covering the fiscal year ended July 31, 1933, shows a gross income of $646,240 as compared with $595,684 in the previous fiscal year. Net profits were $18,918 as compared with a net loss of $20,321 in the previous year after all write-offs and reserves.

The following tabulation gives comparative income and surplus account figures for the past few years:

Years Ended July 31	1933 $	1932 $
Bullion proceeds†	586,403	538,010
Less oper. expenses:		
Development	87,067	136,520
Mining & hoist.	242,695	253,537
Crush., conv. & mill.	107,599	111,989
Ship. & market bullion	4,018	3,507
Adm. & gen. exp.	60,141	58,176
Ins. & munic. taxes	30,753	24,519
Oper. earnings	54,130	*55,238
Add non-oper. revenue:		
Bank, bond & loan int. earn.	59,837	48,820
Net prof. on sec. sold	......	8,854
Total net earnings	113,967	2,436
Less res. & write-offs:		
Depreciation	61,771	22,757
Net profit & surp.	52,196	*20,321
Add prev. surp.	703,387	720,752
Adjustments	1,648	2,957
Tax res. restored	86	......
Less: Silicosis asst. (1926-1931)	35,012	......
Bal. car. forward	722,305	703,388

*Deficit. †Including premium of $107,672 in 1933 and $59,988 in 1932.

During the fiscal year 110,962 tons of ore were milled, producing gold bullion to the normal value of $478,731—an average recovery of $4.31 with gold at $20.67 per ounce. This brought the total production of the property to date to $7,051,337. Operating costs declined to $4.80 per ton as compared with $5.82 in the previous fiscal year, but it is evident that without the exchange compensation received, due to the higher price of gold, a loss would have been incurred from operations.

Mine About Depleted

Robert E. Dye, manager of the company, calls attention to the difficulty in keeping the mill fed with ore and the fact that even a small profit from mine operations is wholly dependent upon the continuance of an improvement in the present price for gold.

During the past year development work was principally confined to an intensive investigation of the older parts of the mine, which had already been opened up. The price of gold served to convert considerable marginal materials into ore which could otherwise not be mined at a profit. Exploration disclosed several small showings which previously had been considered of insufficient importance to deserve serious attention. Many of these showings proved entirely disappointing, but others led to small lenses of ore of mineable grade. Several relatively important lenses were found entirely between levels not disclosed by previous work. Development work during the year failed to keep pace with mill requirements.

R. Home Smith, president of the company, calls attention to the favorable consideration of the directors of a proposal to merge the company with other interests of Huronian Mining & Finance and Keeley Silver Mines, the details of which are given elsewhere in this issue.

The liquid position of the company remains strong with current assets totalling $1,298,732 as against current liabilities of $57,082. In addition the company has an appreciation on its mining investments over a cost of $204,000 and in addition its 300,000 share investment in Huronian Mining is carried at $124,700. Therefore, the liquid assets per share of common stock outstanding is approximately 66 cents per share.

CANADIAN KIRKLAND DEEPENING SHAFT

Hope For Vein in Porphyries at About 800-ft. Depth

At the Canadian Kirkland Mines property, west of the producing section at Kirkland Lake, shaft deepening is now well under way toward an immediate objective of 1,000 feet.

When activities were resumed this summer the No. 1 shaft stood at a depth of 400 feet. Diamond drilling has indicated a continuation of the main break found on the surface, equally strong, at 800-ft depth and the vein system is expected to enter the enclosing porphyries at this depth. Gold has been found on the surface in places for over 1,000 feet in length in a vein structure comparable with that in the producing zone of the camp. By extending the shaft to the 1,000-ft. horizon, it is expected that the veins will be entirely in porphyry conducive to gold deposition.

Electric power has been installed and shaft sinking is being aggressively pursued. Before deepening of the shaft was resumed a flat diamond drill hole was put out and some 35 feet from the shaft the main break was encountered showing a width of about 30 feet.

KIRKLAND LAKE MAKES BIG FIND ON LOW LEVEL

Normal Value of Production For Nine Months is $301,$196

After experiencing nothing but disappointment in the development of its lowest or 5,400 ft. horizon, Kirkland Lake Gold Mining Co. has encountered some exceedingly high grade ore that has revived the hope of officials that the possibilities of making a mine at depth are not yet exhausted.

On the 5,400 ft. level an aggressive programme with over 600 ft. of drifting along the main break of the camp failed to show any commercial ore of importance. Following the policy of probing the foot and hanging walls, Wm. Sixt, mine manager and director of the company, put out a crosscut some ten ft. into the foot wall and in a parallel zone encountered high grade ore that opened up to a width of 15 ft. About 60 ft. of drifting in this parallel zone has shown the width to average about 15 ft.

More important than this find is the encountering of a similar ore shoot some 600 ft. farther along the same zone, occurring in almost an exact manner and of a similar grade and width. This ore shoot has been drifted on for about 40 ft. The occurrence being so similar leads officials to believe there might be some connection between them. If so, it would mean an ore shoot of at least 600 ft. in length, which, for width, grade and length, exceeds all other shoots in the mine. Efforts are now being bent to extending the four faces in ore. As no work has been done between the 5,000 and the 5,400 ft. levels there are possibilities for further extensions above as well as below.

Production Down

Production in the three months ended September 30, was below the normal as, due to the high price for gold, the opportunity was taken to clean up patches of low-grade ore that were not profitable with gold at normal prices.

Total production for the nine months ended September 30, 1933, exclusive of exchange compensation, was $301,196 from 35,791 tons of ore treated. This is an average recovery of $8.50 per ton and an average milling rate of 131 tons daily. During the three months ended September 30, the normal value of the production was $82,586 from 12,093 tons of ore treated. This is an average of recovery of $6.83 per ton and an average daily milling rate of 131 tons.

British Group Interested In Nicola Mines & Metals

From Our B. C. Mining Correspondent

VICTORIA, B.C.—Representing a financial group in London, a British mining engineer is on his way to make a survey of operations at the Nicola mine. It is understood that the shares are to be listed on the London Stock Exchange.

The new ventilating system has been placed in the crosscut at the property, allowing three shifts to work, driving the main tunnel to the Tubal Cain vein. Three shifts are also working on the sinking operations down to the 1,000-foot level on the Joshua vein. The shaft being sunk on the vein has been in ore from the surface down to its present depth.

BIDGOOD KIRKLAND IS PLANNING MILL

New Group Confirms Ore Shoots Previously Reported

Shareholders of Bidgood Kirkland Gold Mines have been advised that "Mining Enterprises" have undertaken to finance the company.

The secretary of Bidgood Kirkland also announces that recent developments at the No. 2 shaft have been sufficiently satisfactory to make it advisable to deepen it to the 1,000-ft. level. The company has purchased and paid for additional machinery and has completely overhauled all the equipment previously installed so that the property is now in shape to carry on development, as planned. New machinery is being acquired with the intention to erect a mill at once.

The present company was organized in March of this year to acquire the assets of the Bidgood Consolidated Mines which went into voluntary bankruptcy. The purchasers and vendors of the property have paid off all creditors of the predecessor company in full and have given the former shareholders one share of Bidgood Kirkland for each twelve shares of the predecessor company.

In a report by E. W. Todd on the property several years ago, he mentioned that in the No. 1 shaft area, on the 300-ft level, there was an oreshoot showing a developed length of about 250 ft., averaging $12 in gold over a width of 8 ft. In 1928 an orebody was opened up on the 400-ft. level for a length of 125 ft., averaging $11.25 over a width of 5 ft., and in 1930 operations in the No. 2 shaft area developed and orebody on the 125-ft. level, assaying $16 for a length of 35 ft. over a width of 8 ft.

It is understood that examination by the present company has fully confirmed these ore-shoots.

Index to Mining Stocks

The weighted index number of 20 mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 105.8 for the week ending October 19, as compared with 115.0 for the previous week.

Eleven gold stocks fell from 111.0 to 102.2, four gold-copper stocks from 143.9 to 131.9, and five silver and miscellaneous stocks from 41.6 to 37.7.

HOWE SO. EARNS 80 CENTS SHARE IN NINE MONTHS

Operating Britannia at Greater Capacity—In Cariboo

Production and earnings showed a substantial advance for the Howe Sound Co. in the third quarter ended September 30, 1933. Earnings were equivalent to 75 cents per share as compared with 31 cents per share in the second quarter and as compared with a loss in the first quarter, bringing the total net earnings for the nine months period of 1933 to 80 cents per share. Metal sales for the third quarter were approximately one-half of the nine months' total which is partially explained by the sale of metals from inventories carried over from the last fiscal year.

The following tabulation gives earnings and production for the third quarter and nine months' total:

	Third Quarter 1933 $	Nine Months 1933 $
Val. of metals sold	2,111,128	4,134,361
Operating costs	1,792,198	3,849,273
Operating profit	318,930	285,088
Add: Misc. inc.	117,585	294,435
Total income	436,515	579,523
Less: Deprec.	79,539	202,232
Net profit	356,976	377,291
Earn. per Share	$0.75	$0.80
Metal Sales:		
Gold, oz.	4,038	8,785
Silver, oz.	1,116,861	2,613,957
Copper, lbs.	2,201,876	4,927,916
Lead, lbs.	32,822,581	75,950,487
Zinc, lbs.	15,538,900	33,363,655

Note:—Results of the third quarter include a profit of $83,035 on metals sold from the inventory of Dec. 31, 1932.

Development on the bottom as well as the upper levels of the El Potosi mine, in Mexico where operations are on a five-day-a-week basis, continue to be quite satisfactory. The company is understood to have made arrangements for the disposal of its zinc concentrates for the 1934 year at the present rate of output.

In July, 125 additional men were put to work at the Britannia property, where the copper and gold output is being sold as fast as it is produced. The major portion of both metals is coming from an isolated ore body high in gold and much lower in copper than is average for the mine. Concentrates are exported from the Britannia mine to Tacoma, Wash., in bond to be smelted; the gold is sold, after refining, in London, Eng.

The company is continuing its exploration programme in the Cariboo and other districts.

Bralorne Not Interested in Taylor

Officials of Bralorne Mines have advised The Financial Post that there is no truth in the report that the company has acquired an interest in the Taylor (Bridge River) Gold Mines.

The latter company was formed in June of this year to develop a group of claims adjoining Bralorne and Bralorne is driving a 500-ft. crosscut northward from its 1,000-ft. level to probe the northerly dip of the vein into the Taylor property.

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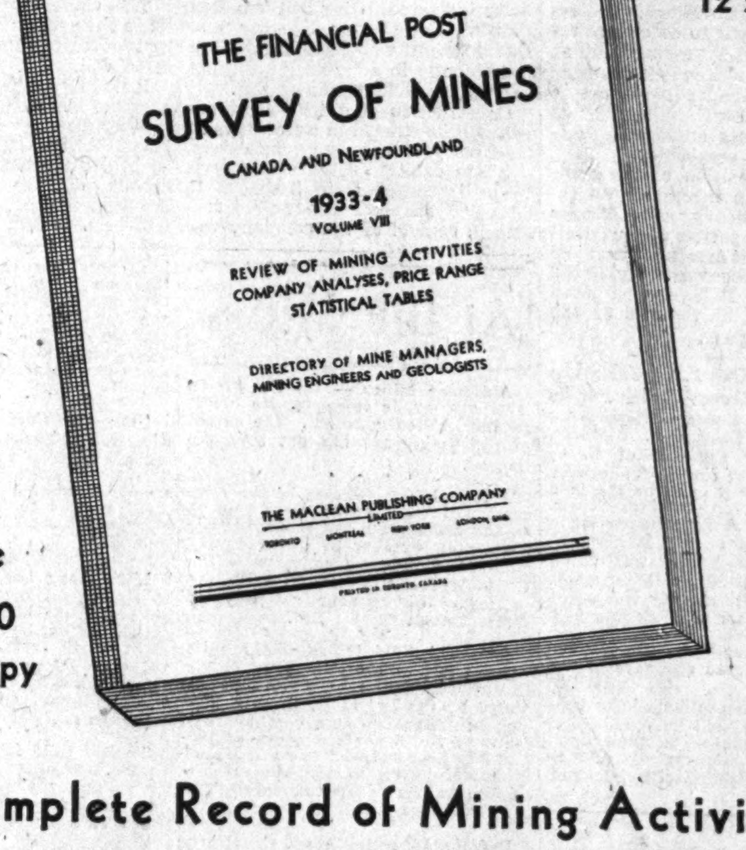

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